

**Biographical Information**

**George J. Eckenroth**

Mr. Eckenroth joined NU in 1982 and has held positions in the budget management, financial planning and analysis, strategic planning, financial policy, cash management, short-term finance and long-term finance groups. Prior to joining NU, Eckenroth was employed by a division of Chase Manhattan Bank, Chase Econometrics, as an economic consultant. Eckenroth has also held positions in both the public and private sectors.

Mr. Eckenroth earned a bachelors of science degree in both economics and political science from Saint Joseph's University. He holds a masters degree in business administration with a concentration in city management from the Joint School Program between Drexel University and the University of Pennsylvania, a masters in economics of finance from Trinity College and a masters in accounting and taxation from the University of Connecticut.<sup>1</sup> In December 2004, Mr. Eckenroth was elected to Beta Gamma Sigma. Membership in Beta Gamma Sigma is the highest recognition a business student anywhere in the world can receive

In May 2005, Mr. Eckenroth successfully completed the requirements set by the Society of Utility And Regulatory Financial Analysts and was awarded the professional designation of Certified Rate of Return Analyst.

Mr. Eckenroth has previously testified before the New Hampshire Public Utilities Commission. He has also testified as the company financial witness before the Massachusetts Department of Public Utilities and the Connecticut Department of Public Utility Control on various financial issues. In addition, Mr. Eckenroth has testified before the Federal Energy Regulatory Commission on financial issues.

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<sup>1</sup> Mr. Eckenroth also holds a masters degree in history from the University of North Carolina.

RATING AGENCY VERSUS RATEMAKING CAPITAL STRUCTURE

It is important to keep in mind that there are two relevant capital structures that must be considered: the rating agency capital structure on which the Company must focus since it is used by investors to set financial standards, and the ratemaking capital structure, on which the Commission sets rates. The rating agencies include all contractual obligations that have a claim to the Company's current and future cash flows. The rating agencies impute debt (also referred to as off-balance sheet debt) that is used to support the total of the Company's obligations. The target capital structure for PSNH is 45 percent equity and 55 percent debt as determined by rating agencies. To meet its rating agency capital structure target, PSNH must on average fund \$100 of rating agency capitalization with \$45.00 of equity.

The ratemaking capital structure includes only the obligations (securities) that support (finance) rate base. Traditional ratemaking conventions do not recognize several of the rating agency imputed obligations as current revenue requirements, e.g., Asset Retirement Obligations or Unfunded Pension and Post Retirement Obligations, or do not consider them to be supporting rate base, e.g., Leases. Consequently, the ratemaking capitalization will have a lower percentage debt and higher percentage equity than the 45/55 rating agency target.

There is an additional difference between the two capital structures. The rating agency capitalization is measured after each quarterly reporting period based on the financial statements and disclosures filed with the SEC. The ratemaking capitalization is measured on a five-quarter average to mirror the change in rate base incorporated into rates (cost of service) over the rate year.

The Table below shows the types of capital used by PSNH and their inclusion or exclusion in each capital structure.

<u>Types of Capital</u>	<u>Rating Agency</u>	<u>Ratemaking</u>
Long-Term Debt	X	
Net Long-Term Debt		X
Capital Leases	X	
Off-balance sheet debt		
PV of Operating Leases	X	
Asset Retirement Obligations	X	
Pension and PBOP	X	
Short-Term Debt	X	
Total Common Equity	X	X

In addition, rating agencies take the amount of long-term debt outstanding from the amount reported on the balance sheet filed quarterly with the SEC. A ratemaking capital structure reduces the amount of long-term debt outstanding by the unamortized issuance costs, premiums or discounts and gains or losses on retired debt. Ratemaking debt reflects the actual cash invested to support rate base.

The Table below shows how PSNH's ratemaking capital structure is derived from its rating agency capital structure.

(millions \$)	Rating Agency Capitalization			Requested 5 Quarter Average Ratemaking Capitalization		
	Actual	2009	Pro Forma	Actual	2009	Pro Forma
	Dec 31, 2008	Adjustments		Dec 31, 2008	Adjustments	
Long-Term Debt	687	150	837	668	149	817
S&P off-balance sheet debt						
PV of Operating Leases	11		11			
Pension and PBOP	182		182			
Asset Retirement Obligations	10		10			
Short-Term Debt	45		-			
Capital Leases	2		2			
Total Debt	937		1,042			
Total Common Equity	634	219	852	635	219	854
Total Capitalization	1,571		1,894	1,303		1,671
Total Debt to Total Capital	59.66%		55.00%	51.27%		48.88%
Equity to Total Capital	40.34%		45.00%	48.73%		51.12%

PSNH plans to issue new long-term debt in September 2009 of 150,000,000

The proceeds will be used to pay down short-term debt

The issuance costs are assumed to be:

Underwriting fee	0.65%	975,000
Rating agencies		186,000
External auditor		32,000
Legal		60,000
Miscellaneous		<u>43,000</u>
		1,296,000
net proceeds		148,704,000

As a practical matter, the pro forma columns of the Table show that, to meet its 2008 – 2009 rating agency 45/55 target capital structure, it will be necessary for PSNH to fund \$100 of new rate base investment with \$48.88 of new debt and \$51.12 of new equity.

A better appreciation of the rating agencies' rationale for their capital structure methodology can be gained from a review of some of their published materials.

With respect to Leases, S&P has stated:<sup>1</sup>

To improve financial ratio analysis, Standard & Poor's Rating Services uses a financial model that capitalizes off-balance-sheet leases commitments and allocates minimum lease payments to interest and depreciation....The operating lease model is intended to make companies' financial ratios more accurate and

<sup>1</sup>S&P Corporate Ratings Criteria – "Operating Lease Analytics", June 9, 2005.



comparable by taking into consideration all assets and liabilities, whether on or off the balance sheet. In other words, all rated companies are put on a more level playing field, no matter how many assets are leased and how the leases are classified...

In contrast, lease obligations are not included in the ratemaking capital structure because they are recovered as an operations and maintenance expense.

With respect to Pension and Postretirement Benefits Other than Pensions ("PBOP"), S&P has stated:<sup>2</sup>

Standard & Poor's Ratings Services views unfunded liabilities relating to defined benefit pension plans and retiree medical plans as debt-like in nature.... By accepting a portion of their compensation on a deferred basis, the employees essentially become creditors of the company. As with conventional debt, these liabilities pose risks to their corporate sponsors from the call on future cash flow they represent. ...A company's postretirement obligations affect its financial position, and also may be germane to its competitive position. Most problematic is when peers face different retiree costs. Companies that have been relatively generous, have an older workforce, or have a comparatively large number of retirees, cannot raise their own selling prices more than those of their competitors.' ...The implications for its competitiveness are no less than if it had older, less efficient manufacturing facilities. Such a competitive advantage--or disadvantage--is an important rating consideration.

Prior to the substantial decline in the value of pension assets due to the collapse of the stock and bond markets in 2008, this was not a major issue to utilities. For that reason, I had not included S&P imputed pension debt in any prior NU operating company's rate case. However, by the end of 2008, underfunded pension obligations had become a large imputed debt for NU, PSNH and other utilities. This is a direct result of the poor performance of financial assets. The pension and PBOP imputed debt for PSNH based on the disclosure in the 2008 Form 10K was \$189 million. That pension adjustment adds 530 basis points of leverage to PSNH's rating agency capital structure. Depending on the assumed funding schedule<sup>3</sup> the imputed debt will decline but the actual new debt and equity to fund the payments to the pension trust will increase.

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<sup>2</sup> Standard & Poor's RatingsDirect, Corporate Ratings Criteria—Postretirement Obligations, October 28, 2004 page 2.

<sup>3</sup> Funding takes two forms: the return earned on invested assets in the pension trust and payments made into the trust.

With respect to Asset Retirement Obligations (“ARO”s), S&P has stated:<sup>4</sup>

ARO’s are legal commitments to incur restoration and removal costs while disposing of, dismantling, or decommissioning long-lived assets. They are legal obligations that have a call on future cash flows of an enterprise, much like debt and similar obligations.... Because we consider ARO’s to be debt-like, the after-tax amount of ARO’s is added to our debt-based measures. Our analysis begins with the reported liability amount, which is adjusted for anticipated reimbursements and tax reductions, and for any assumptions we view as unrealistic.

The accounting rules include retirement costs in the value of the fixed asset to which they relate. But, S&P believes “[t]he economic reality [is] best depicted by including all the relevant costs in the asset’s carrying value, in case future recoverability is in doubt.” There are currently no incremental revenue requirements associated with ARO’s. However, this is another example in which equity is required to support other PSNH obligations. In the past, I did not include ARO’s in my imputed debt computation because the dollar amounts were small. The dollar amount of the ARO’s is no longer small and I therefore have included the ARO as imputed debt.

Finally, Short-term Debt, is traditionally not included in the ratemaking capital structure to avoid double counting under the Allowance for Funds Used During Construction (“AFUDC”) formula, which assumes construction work in progress (“CWIP”) is first funded by short-term debt and then, if necessary, funded by long-term debt and equity. Therefore, if short-term debt balances are less than CWIP balances, all short-term debt interest will be capitalized to CWIP. Because the projected average short-term debt balances do not exceed average CWIP balances for the period that new rates will be effective, all short-term interest costs during that time will be capitalized to CWIP under the AFUDC formula.

The industry practice and the benefits to ratepayers of using short-term debt to fund CWIP was explored in DG 07-072 Cash Working Capital. As the Commission’s witness, James A. Rothschild, explained on page 7 of his May 5, 2008 testimony :

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<sup>4</sup> S&P Corporate Ratings Criteria--Corporate Asset-Retirement Obligations 29-Jul-2005

Since the FERC effectively assumes that the available short-term debt is used first to finance CWIP, ratepayers benefit from an AFUDC rate that is lower than if another rate, such as the overall cost of capital, were used. The lower the AFUDC rate used by a company, the lower will be the capital cost of the physical asset when it is completed and placed into service. This lower capital cost produces lower rates to customers because a smaller rate base results in a smaller return on rate base and a smaller depreciation expense. Therefore, it is appropriate for regulators to be mindful of the amount of short-term debt that has already been assigned to the AFUDC rate when deciding whether other assets should be financed with short-term debt.

The current allowed ratemaking capital structure, which was negotiated and included in the May 2007 Settlement, assumed that 1.18 percent of PSNH's rate base is funded with short-term debt. While PSNH agreed to this approach on a one-time-only basis to facilitate the settlement, for the reasons described above short-term debt should be excluded.

#### CALCULATION OF PROPOSED RATEMAKING CAPITAL STRUCTURE

The actual December 31, 2008 rating agency capital structure must be adjusted for the planned 2009 \$150 million bond issue<sup>5</sup> and the necessary 2009 equity infusions to meet the 45/55 rating agency target. The ratemaking capital structure at December 31, 2008 must also be adjusted for the new 2009 debt issue (net of unamortized issuance costs) and the necessary 2009 equity infusion. As shown in the Table above, the 2009 pro forma adjustments to the 2008 ratemaking capital structure results in a 48.99 percent debt and 51.12 percent equity ratemaking capital structure.

#### LIST OF ELECTRIC UTILITIES SEEKING DELEVERAGING

Citi Bank has provided a list of 13 electric utilities that have or are seeking regulatory authority to increase the equity component of their ratemaking capital structure. I have provided that list in Appendix Capital Structure 1.0. The average ratemaking equity percentage being requested by those utilities is 51.96 percent.

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<sup>5</sup> The 2009 \$150 million bond was budgeted to be issued in June. However, the exact timing is dependent on the receipt of regulatory authority from the New Hampshire PUC.

## PSNH CAPITAL STRUCTURE COMPARED TO ITS PEERS

In the discussion of the cost of equity in this testimony, under the Discounted Cash Flow Model, I discuss working with Morgan Stanley, an investment banking firm, to develop a peer group of electric utilities with similar operating and financial characteristics to PSNH (the “Peer Group”). Because the DCF model requires that each member of a peer group have an observable price, the Peer Group members are all publicly traded. For capital structure purposes, however, the appropriate peers are the major operating companies of those 22 publicly-traded companies.

The S&P debt to total capital ratio with and without pension imputed debt for the 43 major operating companies (including NU operating companies) for years 2007 and 2008 are shown in the Tables below. The first Table shows that, while PSNH’s rating agency capital structure was at relative parity with its operating company peers in 2007 and 2008, the pension imputed debt has increased its relative leverage and PSNH is now more leveraged than its peers. Therefore, the new imputed pension debt will require an infusion of equity to maintain the rating agency capital structure target.

The second Table shows that PSNH’s current ratemaking capital structure is more leveraged than its peers and that the recommended debt to equity ratio is within current ranges. It should be noted that the information is backwards looking; it is difficult to know how other utilities and their regulators will respond to the imputed pension debt on their rating agency capital structure. In Appendix Capital Structure 2.0, PSNH’s rating agency capital structure is compared to its peers and in Appendix Capital Structure 3.0, PSNH’s ratemaking capital structure is compared to its peers.

	S&P Debt to Total Capital Ratio			
	2008		2007	
	Impute Pension Debt		Impute Pension Debt	
	<u>without</u>	<u>with</u>	<u>without</u>	<u>with</u>
Avg. Operating Company Peers	55.2%	57.8%	53.8%	54.7%
PSNH	54.4%	59.7%	54.1%	58.0%

Current Allowed Ratemaking Capital Structure

	<u>Equity</u>	<u>Debt</u>	<u>Preferred</u>
Avg. Operating Company Peers:	48.69%	49.44%	1.71%
Range	40 - 60%	40 - 60%	0 - 9.42%
PSNH:			
Prior	47.66%	52.35%	
Recommended	51.12%	48.88%	

## Appendix GJE - Capital Structure 1.0

	<u>Date</u>	<u>State</u>	<u>Company</u>	<u>Case</u>	<u>Previous Case Authorized</u>	<u>Requested by Company</u>	<u>Authorized by Commission</u>	<u>Date Decided</u>
1	08/29/2008	Arkansas	Oklahoma Gas and Electric Company	D-08-103-U	32.33%	41.96%	36.04%	05/20/2009
2	08/11/2008	Florida	Tampa Electric Company	D-0803170-EI	43.08%	60.21%	46.11%	03/17/2009
3	05/02/2008	Minnesota	ALLETE (Minnesota Power)	D-E-015/GR-08-415	48.61%	54.79%	54.79%	04/03/2009
4	06/07/2007	Ohio	Cleveland Electric Illuminating Company	C-07-0551-EL-AIR-(CEI)	29.99%	49.00%	49.00%	01/21/2009
5	10/15/2008	Tennessee	Atmos Energy Corp.	D-08-00197	44.20%	50.00%	48.12%	03/09/2009
6	01/21/2009	Connecticut	Southern Connecticut Gas Company	D-08-12-07	51.28%	57.61%	pending	
7	03/20/2009	Florida	Florida Power corporation	D-090079-EI	37.62%	50.25%	pending	
8	07/14/2008	Louisiana	Cleco Power LLC	D-U-30689	46.00%	52.04%	pending	
9	09/05/2008	Missouri	KCP&L Greater Missouri Company	C-ER-2009-0090 (L&P)	48.17%	53.82%	pending	
10	04/02/2009	Missouri	Southern Union Company	C-Gr-2009-0355	36.61%	48.00%	pending	
11	04/03/2009	Nevada	Southwest Gas Corporation	D-09-04003 (southern)	40.00%	46.70%	pending	
12	07/25/2008	Ohio	Duke Energy Ohio, Inc.	C-08-0709-EI-AIR	47.53%	58.28%	pending	
13	03/31/2009	Virginia	Virginia Electric and Power Company	C-PUE-2009-00019	43.38%	<u>52.80%</u>	pending	

Source: Citi Bank

average all 51.96%  
average pending 52.44%

**Debt to Total Capitalization Ratios of PSNH Proxy Group  
Holding Company Peer Group**

		2007		2008	
		<i>Debt to Capitalization</i>	<i>Debt to Capitalization ( without PBO)</i>	<i>Debt to Capitalization</i>	<i>Debt to Capitalization ( without PBO)</i>
1	Alliant Energy Corp.	50.8%	50.1%	51.3%	48.6%
2	ALLETE, Inc.	49.4%	47.6%	56.2%	52.0%
3	American Electric	61.9%	61.9%	66.3%	64.9%
4	Avista Corporation	55.6%	54.4%	53.5%	50.9%
5	CH Energy Group Inc.	48.0%	45.8%	53.2%	46.9%
6	Cleco Corp.	50.1%	49.1%	55.9%	53.9%
7	Consolidated Edison Inc.	54.5%	53.0%	57.8%	51.7%
8	DPL Inc.	65.9%	65.8%	63.3%	62.6%
9	DTE Energy Co.	58.8%	56.8%	62.4%	58.6%
10	Empire District Electric Co.	54.2%	53.9%	61.2%	59.7%
11	IDACORP, Inc.	56.1%	55.3%	57.2%	54.7%
12	NorthWestern Corporation	51.5%	50.1%	56.7%	53.7%
13	NSTAR	60.4%	58.9%	63.2%	59.2%
14	PG&E Corp.	53.6%	53.6%	59.0%	56.5%
15	Pinnacle West Capital Corp.	57.0%	55.2%	60.8%	58.7%
16	Portland General Electric Co.	55.2%	55.0%	58.4%	56.8%
17	Progress Energy, Inc.	57.1%	56.3%	62.9%	61.0%
18	Southern Co.	56.1%	56.1%	60.3%	58.9%
19	TECO Energy Inc.	63.6%	62.6%	65.2%	63.7%
20	UIL Holdings Corp.	58.8%	58.8%	66.3%	63.2%
21	Westar Energy, Inc.	59.8%	58.5%	60.8%	58.5%
22	Wisconsin Energy Corp.	58.9%	57.9%	64.3%	62.8%
23	Xcel Energy, Inc.	59.8%	59.8%	60.6%	59.3%
24	Northeast Utilities	57.1%	57.06%	64.4%	61.4%
Average		56.4%	55.6%	60.0%	57.4%

### Debt to Total Capitalization Ratios of PSNH Proxy Group

Major Operating Companies		2007		2008	
		<i>Debt to Capitalization</i>	<i>Debt to Capitalization ( without PBO)</i>	<i>Debt to Capitalization</i>	<i>Debt to Capitalization ( without PB</i>
1	Interstate Power & Light Co.	53.2%	52.8%	52.8%	50.9%
2	Wisconsin Power & Light Co.	49.5%	48.7%	51.1%	48.9%
3	ALLETE, Inc.	49.4%	47.6%	56.2%	52.0%
4	Texas Central Co.	61.2%	61.2%	62.2%	60.5%
5	Public Service Company of Oklahoma	62.0%	62.0%	61.4%	59.5%
6	Southwestern Electric Power CO.	58.0%	58.0%	60.6%	58.6%
7	Texas North Co.	46.3%	46.3%	58.2%	56.0%
8	Appalachian Power Co.	61.1%	61.1%	62.1%	60.3%
9	Columbus Southern Power Co.	57.3%	57.3%	62.3%	60.6%
10	Indiana Michigan Power Co.	69.6%	69.6%	71.6%	70.6%
11	Ohio Power Co.	58.5%	58.5%	61.1%	59.2%
12	Kentucky Power Co.	57.3%	57.3%	62.6%	60.8%
13	Avista Corporation	55.6%	54.4%	53.5%	50.9%
14	Central Hudson Gas&Electric Corp.	57.5%	55.3%	60.6%	54.2%
15	Cleco Corp.	50.1%	49.1%	55.9%	53.9%
16	Consolidated Edison of New York, Inc.	51.9%	50.7%	57.4%	51.4%
17	Orange and Rockland Utilities, Inc.	62.0%	53.8%	61.2%	48.1%
18	Dayton Power and Light Co.	40.1%	39.7%	39.3%	37.8%
19	The Detroit Edison Co.	60.3%	57.6%	62.1%	55.8%
20	Empire District Electric Co.	54.2%	53.9%	61.2%	59.7%
21	Idaho Power Co.	56.9%	56.0%	58.8%	56.3%
22	NorthWestern Corporation	51.5%	50.1%	56.7%	53.7%
23	NSTAR Electric	49.5%	47.2%	48.8%	46.2%
24	Pacific Gas and Electric Co.	52.0%	52.0%	58.1%	55.6%
25	Arizona Public Service Co.	55.2%	53.1%	59.0%	56.7%
26	Portland General Electric Co.	55.2%	55.0%	58.4%	56.8%
27	Carolina Power & Light Co.	54.0%	52.6%	53.8%	51.1%
28	Florida Power Corp.	57.6%	57.3%	63.7%	62.5%
29	Georgia Power Co.	54.1%	54.1%	55.9%	54.7%
30	Alabama Power Co.	54.2%	54.2%	54.5%	54.2%
31	Gulf Power Co.	52.4%	52.4%	56.5%	55.2%
32	Mississippi Power Co.	40.3%	39.8%	49.2%	45.7%
33	TECO Energy Inc.	63.6%	62.6%	65.2%	63.7%
34	UIL Holdings Corp.	58.8%	58.8%	66.3%	63.2%
35	Westar Energy, Inc.	59.8%	58.5%	60.8%	58.5%
36	Wisconsin Electric Power Co.	50.1%	47.5%	55.4%	52.2%
37	Southwestern Public Service Co.	55.8%	55.8%	57.9%	55.9%
38	Public Service Co. of Colorado	50.1%	50.1%	52.3%	50.8%
39	Northern States Power - WI	44.9%	44.9%	50.5%	48.9%
40	Northern States Power - MN	54.6%	54.6%	54.7%	53.1%
41	The Connecticut Light & Power Co.	54.4%	54.4%	56.3%	55.2%
42	Public Service Co. of New Hampshire	58.0%	54.1%	59.7%	54.4%
43	Western Massachusetts Electric Co.	54.3%	54.3%	58.9%	57.9%
average		54.7%	53.8%	57.8%	55.2%



### Appendix Capital Structure 3.0

<u>Holding Company Peer</u>	<u>Major Operating Companies</u>	<u>State</u>
		Iowa
1 Alliant Energy Corp.	1 Interstate Power & Light Co.	Minnesota
	2 Wisconsin Power & Light Co.	Wisconsin
2 ALLETE, Inc.	3 ALLETE, Inc.	Minnesota
	4 Texas Central Co.	Texas
	5 Public Service Company of Oklahoma	Oklahoma
	6 Southwestern Electric Power CO.	Arkansas
	7 Texas North Co.	Louisiana
		Texas
3 American Electric Power Co.	8 Appalachian Power Co.	Virginia
	9 Columbus Southern Power Co.	West Virginia
	10 Indiana Michigan Power Co.	Ohio
	11 Ohio Power Co.	Indiana
	12 Kentucky Power Co.	Michigan
		Ohio
4 Avista Corp.	13 Avista Corp.	Kentucky
		Idaho
5 CH Energy Group Inc.	14 Central Hudson Gas & Electric	Washington
6 Cleco Corp.	15 Cleco Corp.	New York
	16 Consolidated Edison of New York, Inc.	Louisiana
7 Consolidated Edison Inc.	17 Orange and Rockland Utilities, Inc.	New York
8 DPL Inc.	18 Dayton Power and Light Co.	New York
9 DTE Energy Co.	19 The Detroit Edison Co.	Ohio
10 Empire District Electric Co.	20 Empire District Electric Co.	Michigan
11 IDACORP, Inc.	21 Idaho Power Co.	Missouri
12 NorthWestern Corp.	22 NorthWestern Corp.	Idaho
13 NSTAR	23 NSTAR	Montana
14 PG&E Corp.	24 Pacific Gas and Electric Co.	Massachusetts
15 Pinnacle West Capital	25 Arizona Public Service Co.	California
16 Portland General Electric	26 Portland General Electric Co.	Arizona
17 Progress Energy, Inc.	27 Carolina Power & Light Co.	Oregon
	28 Florida Power Corp.	North Carolina
	29 Georgia Power Co.	Florida
	30 Alabama Power Co.	Georgia
18 Southern Co.	31 Gulf Power Co.	Alabama
	32 Mississippi Power Co.	Florida
	33 TECO Energy Inc.	Mississippi
19 UIL Holdings Corp.	34 UIL Holdings Corp.	Florida
20 Westar Energy, Inc.	35 Westar Energy, Inc.	Connecticut
22 Wisconsin Energy Corp.	36 Wisconsin Electric Power Co.	Kansas
	37 Southwestern Public Service Co.	Wisconsin
	38 Public Service of Colorado	New Mexico
		Colorado
23 Xcel Energy, Inc.	39 Northern States Power -MN	North Dakota
	40 Northern States Power -WI	Minnesota
	41 Connecticut Light & Power Co.	Wisconsin
24 Northeast Utilities	42 Public Service Co. of New Hampshire	Connecticut
	43 Western Massachusetts Electric Co.	New Hampshire
		Massachusetts

Appendix Capital Structure 3.1

Authorized ROEs and Capital Structures of the Proxy Group For PSNH

	<u>Major Operating Companies</u>	<u>ROE</u>	<u>Equity</u>	<u>Capitalization</u>			<u>Date</u>
				<u>LT Debt</u>	<u>Preferred</u>	<u>ST Debt</u>	
1	Interstate Power & Light Co.	10.97%	47.89%	44.77%	7.34%	0.00%	12/14/2004
		10.39%	49.099%	41.634%	7.745%	1.523%	03/03/2006
2	Wisconsin Power & Light Co.	NA	NA	NA	NA	NA	12/30/2008
3	ALLETE, Inc.	10.74%	54.79%	45.21%	0.00%	0.00%	04/03/2009
4	Texas Central Co.	9.96%	40.00%	60.00%	0.00%	0.00%	12/13/2007
5	Public Service Company of Oklahoma	10.50%	44.10%	55.57%	0.33%	0.00%	01/14/2009
6	Southwestern Electric Power CO.	10.75%	48.47%	43.30%	0.31%	7.92%	09/23/1999
		11.10%	NA	NA	NA	NA	11/17/1999
7	Texas North Co.	9.96%	40.00%	60.00%	0.00%	0.00%	05/24/2007
8	Appalachian Power Co.	10.2%	41.40%	55.13%	0.32%	3.15%	11/17/2008
		10.5%	41.536%	58.089%	0.375%	0.00%	06/27/2008
9	Columbus Southern Power Co.	12.46%	43.09%	50.01%	6.90%	0.00%	05/12/1992
		10.5%	51.12%	48.58%	0.3%	0.00%	03/04/2009
10	Indiana Michigan Power Co.	13.00%	NA	NA	NA	NA	2/12/1991
11	Ohio Power Co.	12.81%	43.56%	NA	NA	NA	03/23/1995
12	Kentucky Power Co.	10.50%	40.49%	59.51%	0.00%	0.00%	03/14/2006
		10.20%	47.94%	52.06%	0.00%	0.00%	09/30/2008
13	Avista Corp.	10.20%	46.30%	53.70%	0.00%	0.00%	12/29/2008
14	Central Hudson Gas & Electric	9.60%	45.41%	51.66%	2.93%	0.00%	07/24/2006
15	Cleco Corp.	12.25%	46%	NA	NA	NA	10/16/1996
16	Consolidated Edison of New York, Inc.	10.00%	48.63%	50.25%	1.11%	0.00%	04/21/2009
17	Orange and Rockland Utilities, Inc.	9.40%	48.59%	50.27%	1.13%	0.00%	07/16/2008
18	Dayton Power and Light Co.	13.00%	49.57%	44.58%	5.85%	0.00%	01/22/1992
19	The Detroit Edison Co.	11.00%	46.22%	48.52%	0.00%	5.26%	12/23/2008
20	Empire District Electric Co.	10.80%	50.78%	44.64%	4.58%	0.00%	07/30/2008
21	Idaho Power Co.	10.50%	49.27%	50.73%	0.00%	0.00%	01/30/2009
22	NorthWestern Corp.	NA	NA	NA	NA	NA	07/01/2008
23	NSTAR	8.5%-12.5%	NA	NA	NA	NA	2005
24	Pacific Gas and Electric Co.	11.35%	52%	NA	NA	NA	03/21/2007
25	Arizona Public Service Co.	10.75%	54.50%	45.50%	0.00%	0.00%	06/28/2007
26	Portland General Electric Co.	10.10%	50.00%	50.00%	0.00%	0.00%	12/29/2008
27	Carolina Power & Light Co.	12.75%	NA	NA	NA	NA	1988
28	Florida Power Corp.	12.00%	45.85%	41.69%	6.89%	5.57%	09/22/1992
29	Georgia Power Co.	11.25%	NA	NA	NA	NA	12/31/2007
30	Alabama Power Co.	13%-14.5%	NA	NA	NA	NA	1982
31	Gulf Power Co.	12.00%	46.97%	40.39%	9.42%	3.22%	06/10/2002
32	Mississippi Power Co.	12.88%	55.95%	40.22%	3.84%	0.00%	12/03/2001
33	TECO Energy Inc.	11.25%	53.97%	45.77%	0.00%	0.26%	03/17/2009
34	UIL Holdings Corp.	8.75%	50.00%	50.00%	0.00%	0.00%	02/04/2009
35	Westar Energy, Inc	10.40%	NA	NA	NA	NA	01/21/2009
36	Wisconsin Electric Power Co.	10.75%	54.36%	43.58%	0.72%	1.34%	01/17/2008
37	Southwestern Public Service Co.	10.18%	51.23%	48.77%	0.00%	0.00%	08/26/2008
38	Public Service of Colorado	10.50%	60%	40%	0.00%	0.00%	12/01/2006
		10.75%	51.77%	45.61%	0.00%	2.62%	12/31/2008
39	Northern States Power -MN	10.54%	51.67%	45.57%	0.00%	2.76%	09/01/2006
40	Northern States Power -WI	10.75%	52.51%	44.62%	2.87%	0.00%	01/08/2008
41	Connecticut Light & Power Co.	9.40%	48.99%	47.92%	3.09%	0.00%	01/28/2008
42	Public Service Co. of New Hampshire	9.67%	47.66%	51.17%	0.00%	1.18%	05/25/2007
43	Western Massachusetts Electric Co.	9.85%	49.30%	50.70%	0.00%	0.00%	12/29/2004
	<b>Average</b>	<b>10.81%</b>	<b>48.69%</b>	<b>48.86%</b>	<b>1.71%</b>	<b>0.58%</b>	
	<b>Median</b>	<b>10.50%</b>	<b>48.81%</b>	<b>50.00%</b>	<b>0.00%</b>	<b>0.00%</b>	
	<b>Minimum</b>	<b>8.75%</b>	<b>40.00%</b>	<b>40.00%</b>	<b>0.00%</b>	<b>0.00%</b>	
	<b>Maximum</b>	<b>14.50%</b>	<b>60.00%</b>	<b>60.00%</b>	<b>9.42%</b>	<b>5.57%</b>	
	<b>Mid-point</b>	<b>11.63%</b>	<b>50.00%</b>	<b>50.00%</b>	<b>4.71%</b>	<b>2.79%</b>	
	<b>count</b>	<b>34</b>	<b>31</b>	<b>28</b>	<b>28</b>	<b>28</b>	



## Attachment GJE - 3 Discounted Cash Flow Model

### MODEL ASSUMPTIONS

Discounted cash flow valuation calculates the value of an asset as the present value of the expected future cash flows to the asset. When the future cash flows are known, financial theory establishes that the DCF is the best way to establish the value of an asset.

The general form of all DCF models is:

$$\text{Current Price} = \sum \frac{D_t}{(1 + K)^t}$$

where  $D_t$  is the amount of cash to be received in period  $t$  and

$K$  is the discount rate, which represents the return required by investors on investments of similar risk.

As is the case with all financial models, there are certain simplifications built into the DCF formula. Most significantly, it assumes that all future payments are known when, in reality, future payments on most investments (including common stock) are unknown and increasingly difficult to forecast as we have to look farther into the future.

As noted in my pre-filed testimony, a highly simplified version of the DCF model was published by Professor Myron Gordon in 1959 and has been in use in rate cases ever since. The major simplification of the Gordon model is that the earnings and dividends of a company will grow at a constant rate. With the help of that assumption, all future returns can be forecasted with complete accuracy in perpetuity and the mathematics are greatly simplified into the following formula:

$$P_0 = D_0 \times (1+g) / (K_e - g)$$

where:

$P_0$  = Current stock price

$D_0$  = Actual dividends in the last four quarters

$K_e$  = Investors' required return or equity cost of capital

$g$  = Estimated annual earnings growth rate

It has been documented in the financial literature that the simplified DCF approach can run into difficulty in practice because its assumptions do not actually correspond to reality.<sup>1</sup> Nevertheless, the DCF is widely used in the financial community for comparative purposes. That is, DCF analyses are performed for two competing stocks, and the results are used to decide whether to buy Stock A or Stock B. To the extent that the simplifications in the DCF affect both stocks equally, the relative valuations remain valid. The simplified DCF model is not widely used in the financial community to value a single stock or to predict the return on a particular investment over time, nor should it be, because the model's extreme assumptions can introduce a significant distortion.<sup>2</sup>

In addition to the general issues with the DCF model, there is an additional concern when dealing with regulated companies. The DCF model does not produce estimates of the cost of common equity that are consistent with investors' expected returns when the market price and book value are not reasonably similar. The reason for the distortion is that the DCF market return is applied to a book value rate base whereas financial managers and investors base decisions on market values.<sup>3</sup> Elementary arithmetic shows that the DCF cannot satisfy the expectations of any investor who pays a market price above book. Only when the Market-to-Book is close to one is the model unbiased.<sup>4</sup> The application of the results of

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<sup>1</sup> D. Parcel, *The Cost of Capital – A Practitioner's Guide Prepared for the Society of Utility and Regulatory Financial Analysts*, page 8-1, states that "Several studies have shown that these assumptions [DCF] do not hold true in a technical sense."

<sup>2</sup> In a March 31, 2006 article in *Power Executive Biweekly*, Branko Terzic, a former FERC commissioner, states: "Discounted cash flow is taught and used for the comparison of alternative capital budget expenditures..." In the same article, Terzic writes: "Nobel Laureate professor Lawrence Klein and Dr. Andrew Brimmer, a former governor of the Federal Reserve Bank, designed a study in which the DCF failed the test."

<sup>3</sup> Financial managers measure a firm's capital structure in terms of the market values of its debt and equity because: (1) the weighted average cost of capital is defined as the return investors expect to earn on a portfolio of a company's debt and equity securities; (2) investors measure the expected return and risk on their portfolios using market value weights, not book value; and market values are the best measure of the amount of debt and equity investors have invested in the company on a going forward basis. From the perspective of investors, the historical cost or book value of their investment is entirely irrelevant to the current risk and return on their portfolio because if they were to sell their investment, they would receive market value, not historical costs. Consequently, the return can only be measured in terms of market values.

<sup>4</sup> W. Whittaker, *The Discounted Cash Flow Methodology: Its Use in Estimating A Utility's Cost of Equity*, 12 Energy Law Journal 265; (1991):

"Another key DCF assumption has also, for the most part, remained unchallenged. That assumption postulates that a utility's equity return does not equal its cost of capital when the utility's stock price trades either above or below

the DCF to book value is a misuse of the DCF model that systematically understates the cost of equity in a ratemaking context whenever the market value exceeds book value.

#### DEVELOPMENT OF A PROXY GROUP

The application of the DCF method to PSNH requires the development of a proxy group of publicly-traded companies with similar financial and operational characteristics as PSNH. The tradeoff in creating a proxy group is that, while the companies must be very similar to PSNH, if the criteria to test similarity are overly strict there will not be enough companies remaining to have an adequate sample size. The exercise of judgment is therefore required. To ensure that my results are not the result of the application of unduly strict or unduly lax criteria, I have tested the robustness of my results by utilizing several different proxy groups.

To ensure that I have identified all companies that may be appropriate for inclusion in a PSNH proxy group, I began by combining the publicly traded companies that the Edison Electric Institute ("EEI") lists as electric utilities and the companies that Value Line has in its three electric utility industry categories. EEI and Value Line are both highly respected and their materials are readily available to retail and institutional investors Appendix DCF -1.0, shows the resulting universe of 57 companies.

One simple approach is to assume that investors in a hypothetical PSNH stock would expect a return comparable to the return on a highly diversified portfolio of publicly-traded electric utilities. For that reason, my first two proxy groups are simply the electric utility industry as defined by Value Line and EEI, respectively.

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book value. Specifically, DCF theory holds that a utility is earning monopoly profits when its stock trades noticeably above book value." page 270;

"A market price above book value is evidence that investors anticipate that the firm will earn more than its cost of capital. That theory, however, is at odds with reality." page 275;

"If that theory were valid, it would mean that most large nonregulated companies have been earning monopoly profits for extended periods. Every year since at least 1960, the S&P Industrial has traded above its book value. Does anyone – other than the DCF theorist - truly believe that IBM's current \$97.61 share price (April 1, 2009 - updated from actual reference) reflects investor-expectations of monopoly profits in light of IBM's \$10.055 per share book value?" page 278.

I then proceeded to apply various criteria to narrow the universe of companies down to those that are more similar to PSNH. In particular, I have utilized Value Line's geography criteria and the EEI asset mix/regulation criteria.

#### Value Line Proxy Groups – Regional Proxy Groups

To investigate if investors assign different risks to different geographical regions, I used Value Line's East, Central and West categories to create three proxy groups. To further investigate potential regional risk that may apply to PSNH, I created a proxy group of New England electric utilities. I used the same proxy companies accepted by the Federal Energy Regulatory Commission for their New England DCF analysis proxy.<sup>5</sup>

#### Edison Electric Institute – Asset Proxy Groups

EEI sorts electric utilities into one of three categories based on the percentage of a company's assets that is under regulation: Regulated, Mostly Regulated and Diversified.<sup>6</sup> To be in the Regulated category a company must have more than 80 percent of its assets under regulation; to be in the Mostly Regulated category, 50 percent to 80 percent assets under regulation and in Diversified less than 50 percent of assets under regulation. To investigate if investors assign different risks to different segments of the electric utility industry and if the DCF can measure the relative differences, I used EEI's categories to create three proxy groups.

#### Institutional Investor - Proxy Groups

Another approach that I have used is to attempt to emulate the selection process utilized by institutional equity investors.<sup>7</sup> This has been my preferred method over the years. Towards

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<sup>5</sup> Bangor Hydro-Electric, et al ER04-157-NE RTO and Northeast Utilities Service Company and National Grid USA ER08 – 1548, Exhibit NI/NG-603.

<sup>6</sup> [www.eei.org/whatwedo/DataAnalysis/IndusFinanAnalysis/Pages/FinancialReview.aspx](http://www.eei.org/whatwedo/DataAnalysis/IndusFinanAnalysis/Pages/FinancialReview.aspx) page 43.

<sup>7</sup> Large institutional investors are the marginal investor; they set the price of a security.

that end, I worked with equity analysts at Morgan Stanley & Co., Incorporated (“Morgan”) and Barclays Capital (“Barclay’s”) to construct proxy groups that institutional investors would view as similar to PSNH.

Starting with EEI’s universe of 44 Regulated utilities, with the assistance of Morgan, I applied screening criteria to the Regulated companies to eliminate companies that are not comparable to PSNH or for which good data is not available. I eliminated companies from the group if one or more of the following criteria were true:

1. if not listed on a US Stock Exchange (10 eliminated),
2. if a company’s debt was below investment grade (7 eliminated),
3. if the company was a publicly known target of possible takeover or involved in mergers (0 eliminated),
4. if a company has dividend instability: does not pay a dividend, or is perceived to have dividend instability going forward (2 eliminated), or,
5. if more than 50% of revenues are from a non-electric source (1 eliminated).

There were 24 companies remaining in the proxy group. I then asked Barclays to review the 24 companies in my PSNH peer group to confirm that these companies would be considered comparables by institutional investors. Barclays was exceptionally well-positioned to conduct this review because they had recently co-managed the March 2009 public offering of Northeast Utilities common stock. As part of those responsibilities, Barclays was in direct contact with some of the institutional investors that were considering investing in NU common stock. Based in part on their interaction with those institutional investors, Barclays proposed a refinement to the proxy group based on regulatory diversification. Barclays assisted me in sorting my PSNH proxy companies by single-state and multi-state regulation and in testing for the value that investors place on regulatory diversification.<sup>8</sup>

#### ACCEPTANCE CRITERION

For many reasons, some of which are discussed earlier in this supplement, the DCF

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<sup>8</sup> The single-state or multi-state regulation sort was based on the company business description in each company’s Value Line report.



model often does not provide a reliable estimate of a company's cost of equity. Therefore, I used a range of reasonableness criteria<sup>9</sup> to eliminate problematic companies.

Academic studies have unequivocally demonstrated the existence of an equity risk premium. Consequently, I required each company's calculated ROE to exceed their cost of debt by a reasonably amount. Conversely, I excluded a company if their calculated ROE exceeds their cost of debt by unreasonable amount.

The Morningstar 2009 Yearbook publishes market results for the period 1926 – 2008. Using this data, I calculate a total spread or total equity risk premium between the average annual equity returns and the average annual long-term corporate bonds. To this annual equity spread, I apply the beta for the proxy group to determine my expected equity risk premium for the proxy group. Around this expected proxy group risk premium, I shaped a reasonableness band. I accepted a calculated DCF ROE only if it is within the reasonableness band.

#### Calculation of DCF Acceptance Criteria

Source: Morningstar / Ibbotson 1926 - 2008

Large company annual average stock return	11.7%
Long-term corporate annual average bond return	6.2%
Expected equity risk premium	5.5%
PSNH beta	0.70
PSNH proxy group expected risk premium	3.85%
Half of the proxy expected risk premium	1.93%

Accept if -ROE greater then 193 basis points over cost of long-term debt

Reject if - ROE greater then cost of long-term debt plus expected proxy risk premium plus 193 basis points.

#### CALCULATION OF STOCK PRICE AND DIVIDEND YIELD

In Appendix DCF – 2.0, I provide the high and low stock price for each company in the

<sup>9</sup> FERC noted in the Southern California Edison Company case Opinion No. 445 July 26, 2000: Because investors generally cannot be expected to purchase stock if debt, which has less risk than stock, yields essentially the same return, this low-end return cannot be considered reliable in this case."

proxy group for each of the last six months, i.e., December '08 to May '09. In Appendix DCF - 2.1, I calculate a monthly stock price by averaging the monthly high and low for each company. In Appendix DCF - 2.2, I average the monthly stock prices into a six month, three month and one month average for each company.

In Appendix DCF - 3.0, I provide the actual last four quarterly dividends paid by each company. In Appendix DCF - 3.1, I calculate the annual dividend by summing the actual last four quarterly dividends paid. I also calculate an annualized dividend by multiplying the last paid dividend by 4.<sup>10</sup> The two annual dividends are almost identical; consequently, I will disregard the annualized dividend and use the actual last four quarterly dividends.

In Appendix DCF - 4.0, I calculate the dividend yields for each company using the last four quarterly dividends paid taken from Appendix DCF - 3.1 and the 6-month average stock price, the 3-month average stock price and the last months stock price calculated in Appendix DCF - 2.2.

### GROWTH RATE

The cost of equity is a forward-looking concept that focuses on investor expectations regarding future returns. Obviously, the estimation of such returns must be forward-looking as well. Substantial academic research has demonstrated the relationship between analysts' forecast and investor expectations. The fact that analysts' forecasts are superior to forecasts based upon historical data has been documented<sup>11</sup> and confirmed extensively in academic research. The most comprehensive and referenced study on analysts' growth rates as an appropriate source of the DCF growth rates as an indicator of investor expectations was conducted by Doctors J.H. Vander Weide and W.T. Carleton. In June 2007, Dr. Vander Weide filed testimony with North Carolina

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<sup>10</sup> Some analysts annualize the most current quarter dividend. I believe that the use of the actual last four quarterly dividends is more factual and less subjective.

<sup>11</sup> For example, in an article discussing the use of analysts' earnings forecast, equity valuation and the DCF model published in the Spring 2002 Bank of England Quarterly Bulletin, the authors conclude, "his article suggests that sell-side earnings forecast help to explain the level of equity prices..."

Utilities Commission in which he discussed his research (Docket No. E-7,SUB 828 – Duke Energy Carolinas, page 24-25):

I prepared a study in conjunction with Willard T. Carleton, Karl Eller Professor of Finance at the University of Arizona, on why analysts' forecasts are the best estimate of investors' expectation of future long-term growth. This study is described in a paper entitled "Investor Growth Expectations and Stock Prices: the Analysts versus Historical Growth Extrapolation," published in the Spring 1988 edition of *The Journal of Portfolio Management*. First, we performed a correlation analysis to identify the historically oriented growth rates which best described a firm's stock price. Then we did a regression study comparing the historical growth rates with the average I/B/E/S analysts' forecasts. In every case, the regression equations containing the average of analysts' forecasts statistically outperformed the regression equations containing the historical growth estimates. These results are consistent with those found by Cragg and Malkiel, the early major research in this area (John G. Cragg and Burton G. Malkiel, *Expectations and the Structure of Share Prices*, University of Chicago Press, 1982). These results are also consistent with the hypothesis that investors use analysts' forecasts, rather than historically oriented growth calculations, in making stock buy and sell decisions. They provide overwhelming evidence that the analysts' forecasts of future growth are superior to historically-oriented growth measures in predicting a firm's stock price. Researchers at State Street Financial Advisors updated my study using data through year-end 2003. Their results continue to confirm that analysts' growth forecasts are superior to historically-oriented growth measures in predicting a firm's stock price.<sup>12</sup>

Most cost of capital experts rely on earnings growth rates, not dividend growth rates in their DCF analysis. Although the model is derived from dividend growth rates, the more fundamental parameter is earnings growth because dividends are paid from earnings. In his eminent text book, Dr. Aswath Damodaran, discussed the importance of this point:<sup>13</sup>

There are two insights worth keeping in mind when estimating a stable growth rate. First, since the growth rate in the firm's dividends is expected to last forever, the firm's other measures of performance (including earnings) can also be expected to grow at the same rate. To see why, consider the consequence in the long-term of a firm whose earnings grow 6 percent a year forever, while its dividends grow at 8 percent. Over time, the dividends will exceed earnings. If a firm's earnings grow at a rate faster than dividends in the long term, the payout ratio, in the long term, will converge towards zero, which is a not steady state. Thus, though the model's requirement is for the expected growth rate in dividends, analysts should be able to substitute in the expected growth rate in earnings and get precisely the same result...

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<sup>12</sup> Mr. Eckenroth worked with Dr. Vander Weide and State Street Advisors on the referenced 2003 study

<sup>13</sup> A. Damodaran, *Investment Valuation*, 2002, page 323.

In Appendix DCF - 5.0, I have provided the long-term earnings growth rate for each company from Institutional Brokers Estimate System ("I/B/E/S"), SNL, Zacks Investment Research, Yahoo Finance and Value Line and the average of the five. Zacks Investment Research<sup>14</sup> and Yahoo Finance<sup>15</sup> are available to the public without a fee, whereas I/B/E/S, SNL and Value Line require an annual subscription. I used the average of the all five sources of growth rates<sup>16</sup> to calculate an ROE for each company.

#### CALCULATION OF THE DCF ROE

A summary of each of the proxy groups with alternative statistical measures (average, median, and midpoint) is in Appendix DCF – 6.0. An ROE for each of the 57 companies (El Paso Electric Company does not pay a dividend, consequently there are only 56 ROEs calculated) is calculated in Appendix DCF - 6.1. The ROEs for each of the twelve proxy groups are in Appendix DCF - 6.2 through 6.13

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<sup>14</sup> [www.zacks.com/research](http://www.zacks.com/research)

<sup>15</sup> [www.finance.yahoo.com](http://www.finance.yahoo.com)

<sup>16</sup> Empirical studies have shown that investors who rely primarily on data obtained from several large reputable investment research firms obtain better results than those who do not. See Lewellen and Schlarbaaum, "Further Evidence on the Value of Professional Investment Research," Journal of Financial Research (Spring 1981); Timme and Eiseman, "On the Use of Consensus Forecast of Growth in the Constant Growth Model: The Case of Electric Utilities," Financial Management (Winter 1989).

### Summary of Proxy Groups Return on Equity

		<u>Appendix</u>	<u>6 months</u>	<u>3 months</u>	<u>1 month</u>
	<b><u>Value Line:</u></b>				
1	All Companies	6.2	12.46%	12.93%	12.75%
2	East	6.3	12.23%	12.65%	12.56%
3	Central	6.4	13.45%	13.99%	13.76%
4	West	6.5	11.18%	11.62%	11.36%
	<b><u>Edison Electric Institute:</u></b>				
5	All Companies	6.6	12.43%	12.89%	12.67%
6	Regulated	6.7	12.13%	12.55%	12.41%
7	Mostly Regulated	6.8	12.31%	12.79%	12.53%
8	Diversified	6.9	13.81%	14.41%	14.00%
	<b><u>Institutional Investor:</u></b>				
9	PSNH Proxy	6.10	11.96%	12.32%	12.21%
10	Single-State Regulation	6.11	12.24%	12.51%	12.41%
11	Multi-State Regulation	6.12	11.73%	12.17%	12.05%
12	<b><u>New England Proxy</u></b>	6.13	12.66%	13.06%	12.88%

### DISCUSSION OF DCF RESULTS

The Value Line – All Companies and the EEI All Companies provide a good indicator of investors' risk/return requirements being applied to the electric utility industry. The Value Line regional returns show an interesting regional risk/return pattern. Investors are applying a higher discount rate to utilities in the east than in the west and an even higher discount rate to the utilities in the central U.S. The results of the New England proxy further support the finding that investors are applying an incremental risk premium to northeastern utilities. The DCF model is currently differentiating investor risk and return requirements between industry segments. As expected, the EEI – Diversified segment has the highest return requirement, followed by the Mostly Regulated, with the Regulated segment having the lowest investor required return.

The expected average return on the Institutional Investor – PSNH Proxy Group is as expected when judged from within the context of the EEI – Regulated proxy. The regulatory diversification refinement to the PSNH group suggested by Barclays' confirm their professional

opinion that investors assign incremental risk to utilities that are regulated by only a single state commission.

It has been my practice to rely on the proxy group that I develop with the assistance of Morgan Stanley. I will do so here as well with the comfort that it produces results comparable to those obtained when using other proxy groups.

#### APPLICATION OF ACCEPTANCE CRITERION

I applied the Acceptance Criterion discussed earlier to the Institutional Investor - PSNH proxy group. In Appendix DCF 7.0, the Acceptance Criterion is applied to each company in the proxy group. As can be seen in the table below, the Acceptance Criterion has a smoothing influence on the results.

	Acceptance Criterion					
	Return on Equity Institutional Investor Proxy Group					
	Based on Average Stock Prices of:					
	<u>Six Month Price</u>		<u>Three Month Price</u>		<u>One Month Price</u>	
	<u>ROE</u>	<u>Accept</u>	<u>ROE</u>	<u>Accept</u>	<u>ROE</u>	<u>Accept</u>
Per-acceptance average	11.96%		12.32%		12.21%	
Post-acceptance average		<u>11.66%</u>		<u>11.86%</u>		<u>11.45%</u>
ROE over Long-Term Debt		3.40%		3.57%		3.39%

#### ISSUANCE COSTS

On March 20, 2009 NU sold common stock in a public offering. Investors paid \$20.20 a shares but after paying expenses of \$.6622 per share (3.28 percent), NU received only \$19.54 to invest in its operating subsidiaries. The detail of the March 20, common stock is provided in appendix DCF 8.0. Because of issuance or flotation costs, the company must earn more than 11.46 percent on the net funds obtained by selling stock if the investors are to receive an 11.46 percent return. The base DCF equation:

$$K_e = (D_0 \times (1 + g) / P_0) + g$$

must be adjusted to reflect insurance /flotation costs, which I have denoted as F.

$$K_e = (D_0 \times (1 + g) / P_0 - F) + g$$

In Appendix DCF – 8.1, I reduced the average stock price for the 24 companies in the Institutional Investor proxy group by the 3.28 percent issuance expenses.<sup>17</sup> The following table is a summary of Appendix DCF 8.1, the detail of each of the calculations is in Appendix 8.1. The Table below shows that if PSNH earns 20 additional basis points on funds obtained from the NU stock issuance, then earnings per share will remain at the previously expected level, the dividend can be maintained and the stock price will not decline.<sup>18</sup>

Average Proxy Group				Yield	ROE	Difference
Dividend	Stock Price	Net Stock Price	Growth Rate	Dividend / Stock Price	Yield + Growth Rate	
1.58	\$27.36		5.97%	5.77%	11.74%	
		\$26.47		5.97%	11.93%	
						0.20%
Stock Price		\$27.36				
Issuance costs 3.28%		\$0.90				
Net Stock Price		\$26.47				

## CONCLUSION

The acceptance criterion plus the 20 basis point issuance cost, both described above, support an ROE of 11.65 to 12.06 percent under current market conditions.

<sup>17</sup> As explained in Appendix 8.1, the issuance cost adjustment is applied to the 6 month average proxy group stock price. The calculation also uses the average proxy group dividend and the average growth rate. In Appendix 6.10 and Appendix 7.0, the average proxy group ROE is calculated based on each Proxy Company's ROE. Due to rounding the proxy ROE in Appendix 8.1 is slightly lower.

<sup>18</sup> M. Ehrhart and E. Brigham, Corporate Finance, A Focused Approach (2008), page 304.

<u>Company</u>	<u>Symbol</u>	<u>Company</u>	<u>Symbol</u>
1 Allegheny Energy, Inc.	AYE	31 MDU Resources Group, Inc.	MDU
2 ALLETE, Inc.	ALE	32 MGE Energy, Inc.	MGEE
3 Alliant Energy Corporation	LNT	33 NiSource Inc.	NI
4 Ameren Corporation	AEE	34 Northeast Utilities	NU
5 American Electric Power Company, Inc.	AEP	35 Northwestern Corp.	NWE
6 Avista Corporation	AVA	36 NSTAR	NST
7 Black Hills Corporation	BKH	37 OGE Energy Corp.	OGE
8 CenterPoint Energy, Inc.	CNP	38 Otter Tail Corporation	OTTR
9 Central Vermont Public Service Corp	CV	39 Pepco Holdings, Inc.	POM
10 CH Energy Group, Inc.	CHG	40 PG&E Corporation	PCG
11 Cleco Corporation	CNL	41 Pinnacle West Capital Corporation	PNW
12 CMS Energy Corporation	CMS	42 PNM Resources, Inc.	PNM
13 Consolidated Edison, Inc.	ED	43 Portland General Electric Company	POR
14 Constellation Energy Group, Inc.	CEG	44 PPL Corporation	PPL
15 Dominion Resources, Inc.	D	45 Progress Energy, Inc.	PGN
16 DPL Inc.	DPL	46 Public Service Enterprise Group Incorporated	PEG
17 DTE Energy Company	DTE	47 SCANA Corporation	SCG
18 Duke Energy Corporation	DUK	48 Sempra Energy	SRE
19 Edison International	EIX	49 NV Energy *	NVE
20 El Paso Electric Company	EE	50 Southern Company	SO
21 Empire District Electric Company	EDE	51 TECO Energy, Inc.	TE
22 Entergy Corporation	ETR	52 UIL Holdings Corporatio	UIL
23 Exelon Corporation	EXC	53 UniSource Energy Corporation	UNS
24 FirstEnergy Corp.	FE	54 Vectren Corporation	VVC
25 FPL Group, Inc.	FPL	55 Westar Energy, Inc.	WR
26 Great Plains Energy, Inc.	GXP	56 Wisconsin Energy Corporation	WEC
27 Hawaiian Electric Industries, Inc.	HE	57 Xcel Energy, Inc.	XEL
28 IDACORP, Inc.	IDA		
29 Integrys Energy Group, Inc.	TEG		
30 ITC Holdings Corp.	ITC		

\* NV Energy was previously Sierra Pacific Resources



## Monthly High and Low Stock Prices

	Dec-08		Jan-09		Feb-09		Mar-09		Apr-09		May-09	
	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
1 AYE	34.34	29.78	35.97	31.39	35.03	23.13	24.93	20.32	27.35	22.70	29.85	23.00
2 ALE	34.53	28.28	32.89	29.55	33.27	26.40	28.24	23.35	27.52	24.45	27.86	25.80
3 LNT	31.42	27.02	29.96	26.66	30.50	22.52	25.18	20.31	25.40	22.36	25.09	22.08
4 AEE	35.08	31.01	35.35	31.00	34.10	23.53	24.07	19.51	23.98	21.75	25.04	22.00
5 AEP	33.37	28.00	34.34	30.88	33.89	27.70	28.50	24.00	27.41	24.75	27.19	24.75
6 AVA	19.50	16.28	20.01	18.66	19.52	13.97	14.63	12.67	15.60	13.44	16.25	15.01
7 BKH	27.13	22.90	27.84	24.65	27.28	17.45	18.76	14.54	20.33	17.36	21.53	19.06
8 CNP	13.26	11.90	13.92	12.20	14.53	9.86	10.80	8.66	10.85	9.93	11.40	9.76
9 CV	24.05	17.40	25.16	20.50	26.32	22.25	20.73	16.81	18.33	16.09	17.12	15.78
10 CHG	52.36	39.50	51.50	45.36	52.66	41.27	47.80	37.68	48.16	43.01	46.97	40.60
11 CNL	23.24	20.22	23.66	21.13	23.77	18.69	22.97	19.60	22.80	20.94	21.66	19.82
12 CMS	10.27	9.12	12.26	10.12	13.05	9.98	12.22	10.40	12.32	11.40	12.31	10.89
13 ED	40.04	37.30	41.79	38.59	41.63	35.88	39.99	32.56	40.00	36.95	38.17	34.36
14 CEG	30.17	22.52	27.97	25.13	27.51	18.00	21.41	15.05	24.13	20.18	27.40	22.35
15 D	36.59	33.34	37.00	33.17	37.18	29.26	32.41	27.15	31.61	28.70	32.71	30.12
16 DPL	22.91	19.76	23.39	20.81	23.00	19.18	23.19	19.71	23.45	22.17	23.08	21.03
17 DTE	36.86	32.40	37.11	33.12	35.26	26.74	28.79	23.32	30.56	27.32	32.28	28.85
18 DUK	15.36	14.13	15.96	14.50	15.86	13.37	14.70	11.72	14.47	13.60	14.50	13.31
19 EIX	32.73	29.24	34.17	30.31	33.57	26.56	29.92	23.09	30.31	27.50	30.85	27.58
20 EE												
21 EDE	17.85	15.33	18.51	16.80	18.48	13.76	15.03	11.92	15.40	14.19	16.41	14.62
22 ETR	85.00	77.28	86.61	74.22	74.64	65.47	69.23	59.87	70.47	63.39	76.48	64.72
23 EXC	56.27	48.76	58.98	50.59	58.66	46.00	47.54	38.41	49.55	44.24	51.46	45.30
24 FE	58.31	44.81	52.85	45.81	53.63	41.75	42.36	35.63	41.33	37.71	43.29	35.26
25 FPL	51.87	43.02	53.31	46.75	53.99	44.40	52.25	41.48	54.75	49.70	58.50	52.40
26 GXP	19.49	17.35	20.09	18.25	20.52	13.06	13.93	10.20	14.83	13.18	15.45	13.44
27 HE	27.23	21.29	22.46	20.72	22.73	13.69	14.26	12.09	16.56	13.52	17.54	15.17
28 IDA	30.57	27.29	30.47	28.07	29.25	23.48	24.43	20.91	24.55	22.69	24.49	22.22
29 TEG	44.82	39.83	45.10	40.18	44.36	23.99	27.70	19.44	27.23	24.95	30.14	26.50
30 ITC	43.94	35.24	46.50	38.52	45.48	35.53	44.26	32.26	45.79	40.75	45.53	40.57
31 MDU	22.42	17.94	22.89	18.72	20.39	14.65	16.68	12.79	18.19	15.70	18.76	16.59
32 MGEE	35.39	30.95	33.49	30.34	33.00	29.23	32.25	27.27	32.34	29.47	31.30	29.42
33 NI	11.97	10.45	11.40	9.60	10.88	8.47	10.32	7.79	11.20	9.64	11.62	10.39
34 NU	24.22	21.24	25.31	22.76	25.25	21.41	22.13	19.01	22.57	20.00	22.01	19.78
35 NEW	23.65	19.27	24.85	21.71	25.39	19.31	21.98	18.48	22.50	20.00	22.44	20.59
36 NST	36.94	32.94	36.80	32.34	35.15	31.53	32.34	27.49	32.61	29.71	34.68	28.54
37 OGE	26.24	23.04	26.80	23.56	26.00	21.31	24.60	19.70	25.84	23.19	26.75	25.11
38 OTTR	24.23	16.83	24.50	18.97	21.59	17.17	23.21	15.47	24.05	21.12	23.02	18.63
39 POM	17.82	16.03	18.64	16.56	18.71	14.60	15.13	10.07	12.95	11.45	13.10	11.71
40 PCG	39.79	33.61	39.98	35.59	40.41	34.50	41.06	34.66	39.11	36.50	38.17	34.60
41 PNW	32.28	28.16	34.81	31.35	35.13	25.72	27.25	22.32	28.37	26.36	28.96	25.28
42 PNM	10.95	9.14	11.50	9.96	10.08	6.78	9.21	5.94	8.88	7.68	10.39	8.57
43 POR	19.51	16.38	19.88	18.00	19.82	16.02	18.34	13.45	18.88	16.43	18.98	16.88
44 PPL	33.03	28.52	32.95	30.49	33.54	27.50	29.84	24.25	30.39	27.40	32.84	29.98
45 PGN	40.73	37.18	40.85	36.61	40.70	34.65	36.93	31.35	36.67	33.50	36.45	33.75
46 PEG	31.04	26.87	33.66	28.55	33.02	26.63	29.99	23.65	31.21	27.85	32.91	29.84
47 SCG	37.62	31.84	36.89	32.81	35.55	29.65	31.36	26.01	32.70	30.00	31.48	28.21
48 SRE	46.52	39.46	45.82	41.51	46.72	37.66	46.96	36.43	47.69	44.34	49.89	43.94
49 SRP	10.00	7.95	11.12	9.66	11.15	8.78	10.12	7.96	10.48	9.26	10.70	9.87
50 SO	37.58	34.67	37.62	33.25	33.80	29.65	31.86	26.48	31.78	28.10	29.81	27.19
51 TE	12.90	10.50	12.97	11.40	12.71	9.30	11.66	8.41	11.42	10.28	12.41	10.72
52 UIL	30.87	26.81	31.15	25.91	28.17	19.88	24.02	17.00	24.00	21.90	24.39	20.56
53 UNS	29.41	24.47	29.97	27.13	28.58	22.76	29.01	23.48	28.76	25.06	27.06	24.78
54 VVC	27.65	23.70	26.47	24.47	26.90	19.90	21.40	18.08	22.40	19.72	23.40	21.39
55 WR	20.67	17.83	21.10	18.92	20.84	16.25	18.11	14.86	18.31	17.00	18.49	16.60
56 WEC	43.27	39.56	46.35	40.91	46.48	39.50	41.82	36.31	42.23	39.23	40.97	36.67
57 XEL	18.90	16.96	19.07	17.71	19.13	17.15	18.87	16.01	18.98	17.65	18.64	16.83

Source: Yahoo Finance

month count	Calculation of Average Monthly Stock Price					
	6	5	4	3	2	1
	08-Dec	Jan-09	Feb-09	09-Mar	09-Apr	09-May
1 Allegheny Energy, Inc.	32.06	33.68	29.08	22.63	25.03	26.43
2 ALLETE, Inc.	31.41	31.22	29.84	25.80	25.99	26.83
3 Alliant Energy Corporation	29.22	28.31	26.51	22.75	23.88	23.59
4 Ameren Corporation	33.05	33.18	28.82	21.79	22.87	23.52
5 American Electric Power Company, Inc.	30.69	32.61	30.80	26.25	26.08	25.97
6 Avista Corporation	17.89	19.34	16.75	13.65	14.52	15.63
7 Black Hills Corporation	25.02	26.25	22.37	16.65	18.85	20.30
8 CenterPoint Energy, Inc.	12.58	13.06	12.20	9.73	10.39	10.58
9 Central Vermont Public Service Corporation	20.73	22.83	24.29	18.77	17.21	16.45
10 CH Energy Group, Inc.	45.93	48.43	46.97	42.74	45.59	43.79
11 Cleco Corporation	21.73	22.40	21.23	21.29	21.87	20.74
12 CMS Energy Corporation	9.70	11.19	11.52	11.31	11.86	11.60
13 Consolidated Edison, Inc.	38.67	40.19	38.76	36.28	38.48	36.27
14 Constellation Energy Group, Inc.	26.35	26.55	22.76	18.23	22.16	24.88
15 Dominion Resources, Inc.	34.97	35.09	33.22	29.78	30.16	31.42
16 DPL Inc.	21.34	22.10	21.09	21.45	22.81	22.06
17 DTE Energy Company	34.63	35.12	31.00	26.06	28.94	30.57
18 Duke Energy Corporation	14.75	15.23	14.62	13.21	14.04	13.91
19 Edison International	30.99	32.24	30.07	26.51	28.91	29.22
20 El Paso Electric Company						
21 Empire District Electric Company	16.59	17.66	16.12	13.48	14.80	15.52
22 Entergy Corporation	81.14	80.42	70.06	64.55	66.93	70.60
23 Exelon Corporation	52.52	54.79	52.33	42.98	46.90	48.38
24 FirstEnergy Corp.	51.56	49.33	47.69	39.00	39.52	39.28
25 FPL Group, Inc.	47.45	50.03	49.20	46.87	52.23	55.45
26 Great Plains Energy, Inc.	18.42	19.17	16.79	12.07	14.01	14.45
27 Hawaiian Electric Industries, Inc.	24.26	21.59	18.21	13.18	15.04	16.36
28 IDACORP, Inc.	28.93	29.27	26.37	22.67	23.62	23.36
29 Integrys Energy Group, Inc.	42.33	42.64	34.18	23.57	26.09	28.32
30 ITC Holdings Corp.	39.59	42.51	40.51	38.26	43.27	43.05
31 MDU Resources Group, Inc.	20.18	20.81	17.52	14.74	16.95	17.68
32 MGE Energy, Inc.	33.17	31.92	31.12	29.76	30.91	30.36
33 NiSource Inc.	11.21	10.50	9.68	9.06	10.42	11.01
34 Northeast Utilities	22.73	24.04	23.33	20.57	21.29	20.90
35 Northwestern Corp.	21.46	23.28	22.35	20.23	21.25	21.52
36 NSTAR	34.94	34.57	33.34	29.92	31.16	31.61
37 OGE Energy Corp.	24.64	25.18	23.66	22.15	24.52	25.93
38 Otter Tail Corporation	20.53	21.74	19.38	19.34	22.59	20.83
39 Pepco Holdings, Inc.	16.93	17.60	16.66	12.60	12.20	12.41
40 PG&E Corporation	36.70	37.79	37.46	37.86	37.81	36.39
41 Pinnacle West Capital Corporation	30.22	33.08	30.43	24.79	27.37	27.12
42 PNM Resources, Inc.	10.05	10.73	8.43	7.58	8.28	9.48
43 Portland General Electric Company	17.95	18.94	17.92	15.90	17.66	17.93
44 PPL Corporation	30.78	31.72	30.52	27.05	28.90	31.41
45 Progress Energy, Inc.	38.96	38.73	37.68	34.14	35.09	35.10
46 Public Service Enterprise Group Incorporated	28.96	31.11	29.83	26.82	29.53	31.38
47 SCANA Corporation	34.73	34.85	32.60	28.69	31.35	29.85
48 Sempra Energy	42.99	43.67	42.19	41.70	46.02	46.92
49 NV Energy (previously Sierra Pacific Resourc	8.98	10.39	9.97	9.04	9.87	10.29
50 Southern Company	36.13	35.44	31.73	29.17	29.94	28.50
51 TECO Energy, Inc.	11.70	12.19	11.01	10.04	10.85	11.57
52 UIL Holdings Corporatio	28.84	28.53	24.03	20.51	22.95	22.48
53 UniSource Energy Corporation	26.94	28.55	25.67	26.25	26.91	25.92
54 Vectren Corporation	25.68	25.47	23.40	19.74	21.06	22.40
55 Westar Energy, Inc.	19.25	20.01	18.55	16.49	17.66	17.55
56 Wisconsin Energy Corporation	41.42	43.63	42.99	39.07	40.73	38.82
57 Xcel Energy, Inc.	17.93	18.39	18.14	17.44	18.32	17.74
average	28.72	29.45	27.37	24.14	25.78	26.10
count	56	56	56	56	56	56

Calculation of Average Monthly Stock Price				
	6 months	3 months	1 month	
1 Allegheny Energy, Inc.	28.15	24.69	26.43	
2 ALLETE, Inc.	28.51	26.20	26.83	
3 Alliant Energy Corporation	25.71	23.40	23.59	
4 Ameren Corporation	27.20	22.73	23.52	
5 American Electric Power Company, Inc.	28.73	26.10	25.97	
6 Avista Corporation	16.30	14.60	15.63	
7 Black Hills Corporation	21.57	18.60	20.30	
8 CenterPoint Energy, Inc.	11.42	10.23	10.58	
9 Central Vermont Public Service Corporation	20.05	17.48	16.45	
10 CH Energy Group, Inc.	45.57	44.04	43.79	
11 Cleco Corporation	21.54	21.30	20.74	
12 CMS Energy Corporation	11.20	11.59	11.60	
13 Consolidated Edison, Inc.	38.11	37.01	36.27	
14 Constellation Energy Group, Inc.	23.49	21.75	24.88	
15 Dominion Resources, Inc.	32.44	30.45	31.42	
16 DPL Inc.	21.81	22.11	22.06	
17 DTE Energy Company	31.05	28.52	30.57	
18 Duke Energy Corporation	14.29	13.72	13.91	
19 Edison International	29.65	28.21	29.22	
20 <i>El Paso Electric Company</i>				
21 Empire District Electric Company	15.69	14.60	15.52	
22 Entergy Corporation	72.28	67.36	70.60	
23 Exelon Corporation	49.65	46.08	48.38	
24 FirstEnergy Corp.	44.40	39.26	39.28	
25 FPL Group, Inc.	50.20	51.51	55.45	
26 Great Plains Energy, Inc.	15.82	13.51	14.45	
27 Hawaiian Electric Industries, Inc.	18.11	14.86	16.36	
28 IDACORP, Inc.	25.70	23.22	23.36	
29 Integrys Energy Group, Inc.	32.85	25.99	28.32	
30 ITC Holdings Corp.	41.20	41.53	43.05	
31 MDU Resources Group, Inc.	17.98	16.45	17.68	
32 MGE Energy, Inc.	31.20	30.34	30.36	
33 NiSource Inc.	10.31	10.16	11.01	
34 Northeast Utilities	22.14	20.92	20.90	
35 Northwestern Corp.	21.68	21.00	21.52	
36 NSTAR	32.59	30.90	31.61	
37 OGE Energy Corp.	24.35	24.20	25.93	
38 Otter Tail Corporation	20.73	20.92	20.83	
39 Pepco Holdings, Inc.	14.73	12.40	12.41	
40 PG&E Corporation	37.33	37.35	36.39	
41 Pinnacle West Capital Corporation	28.83	26.42	27.12	
42 PNM Resources, Inc.	9.09	8.45	9.48	
43 Portland General Electric Company	17.71	17.16	17.93	
44 PPL Corporation	30.06	29.12	31.41	
45 Progress Energy, Inc.	36.61	34.78	35.10	
46 Public Service Enterprise Group Incorporated	29.60	29.24	31.38	
47 SCANA Corporation	32.01	29.96	29.85	
48 Sempra Energy	43.91	44.88	46.92	
49 NV Energy (previously Sierra Pacific Resource)	9.75	9.73	10.29	
50 Southern Company	31.82	29.20	28.50	
51 TECO Energy, Inc.	11.22	10.82	11.57	
52 UIL Holdings Corporation	24.56	21.98	22.48	
53 UniSource Energy Corporation	26.71	26.36	25.92	
54 Vectren Corporation	22.96	21.07	22.40	
55 Westar Energy, Inc.	18.25	17.23	17.55	
56 Wisconsin Energy Corporation	41.11	39.54	38.82	
57 Xcel Energy, Inc.	<u>17.99</u>	<u>17.83</u>	<u>17.74</u>	
average	26.93	25.34	26.10	
count	56	56	56	

## Appendix DCF 3.0

	Actual Dividends Paid				
	2Q-08	3Q-08	4Q-08	1Q-09	2Q-09
1 Allegheny Energy, Inc.	0.15	0.15	0.15	0.15	
2 ALLETE, Inc.	0.43	0.43	0.43	0.44	0.44
3 Alliant Energy Corporation	0.35	0.35	0.35	0.375	0.375
4 Ameren Corporation	0.635	0.635	0.635	0.385	
5 American Electric Power Company, Inc.	0.41	0.41	0.41	0.41	0.41
6 Avista Corporation	0.165	0.18	0.18	0.18	0.21
7 Black Hills Corporation	0.35	0.35	0.35	0.355	0.355
8 CenterPoint Energy, Inc.	0.183	0.183	0.183	0.19	0.19
9 Central Vermont Public Service Corporation	0.23	0.23	0.23	0.23	
10 CH Energy Group, Inc.	0.54	0.54	0.54	0.54	0.54
11 Cleco Corporation	0.225	0.225	0.225	0.225	0.225
12 CMS Energy Corporation	0.09	0.09	0.09	0.125	0.125
13 Consolidated Edison, Inc.	0.585	0.585	0.585	0.59	0.59
14 Constellation Energy Group, Inc.	0.478	0.478	0.478	0.478	0.24
15 Dominion Resources, Inc.	0.395	0.395	0.395	0.438	0.438
16 DPL Inc.	0.275	0.275	0.275	0.285	0.285
17 DTE Energy Company	0.53	0.53	0.53	0.53	
18 Duke Energy Corporation	0.22	0.23	0.23	0.23	0.23
19 Edison International	0.305	0.305	0.31	0.31	
20 <i>El Paso Electric Company</i>					
21 Empire District Electric Company	0.32	0.32	0.32	0.32	0.32
22 Entergy Corporation	0.75	0.75	0.75	0.75	0.75
23 Exelon Corporation	0.5	0.5	0.525	0.525	0.525
24 FirstEnergy Corp.	0.55	0.55	0.55	0.55	0.55
25 FPL Group, Inc.	0.445	0.445	0.445	0.473	
26 Great Plains Energy, Inc.	0.415	0.415	0.415	0.208	0.208
27 Hawaiian Electric Industries, Inc.	0.31	0.31	0.31	0.31	0.31
28 IDACORP, Inc.	0.3	0.3	0.3	0.3	0.3
29 Integrys Energy Group, Inc.	0.67	0.67	0.67	0.68	0.68
30 ITC Holdings Corp.	0.29	0.305	0.305	0.305	0.305
31 MDU Resources Group, Inc.	0.145	0.155	0.155	0.155	
32 MGE Energy, Inc.	0.355	0.362	0.362	0.362	0.362
33 NiSource Inc.	0.23	0.23	0.23	0.23	0.23
34 Northeast Utilities	0.2	0.213	0.213	0.238	0.238
35 Northwestern Corp.	0.33	0.33	0.33	0.335	
36 NSTAR	0.35	0.35	0.35	0.375	0.375
37 OGE Energy Corp.	0.348	0.348	0.348	0.355	0.355
38 Otter Tail Corporation	0.298	0.298	0.298	0.298	0.298
39 Pepco Holdings, Inc.	0.27	0.27	0.27	0.27	0.27
40 PG&E Corporation	0.39	0.39	0.39	0.42	
41 Pinnacle West Capital Corporation	0.525	0.525	0.525	0.525	0.525
42 PNM Resources, Inc.	0.23	0.125	0.125	0.125	0.125
43 Portland General Electric Company	0.245	0.245	0.245	0.245	
44 PPL Corporation	0.335	0.335	0.335	0.345	
45 Progress Energy, Inc.	0.615	0.615	0.615	0.62	0.62
46 Public Service Enterprise Group Inc.	0.323	0.323	0.323	0.333	
47 SCANA Corporation	0.46	0.46	0.46	0.47	
48 Sempra Energy	0.35	0.35	0.35	0.39	
49 NV Energy	0.08	0.08	0.10	0.10	0.10
50 Southern Company	0.42	0.42	0.42	0.42	0.438
51 TECO Energy, Inc.	0.2	0.2	0.2	0.2	0.2
52 UIL Holdings Corporatio	0.432	0.432	0.432	0.432	
53 UniSource Energy Corporation	0.24	0.24	0.24	0.29	0.29
54 Vectren Corporation	0.325	0.325	0.335	0.335	0.335
55 Westar Energy, Inc.	0.29	0.29	0.29	0.3	
56 Wisconsin Energy Corporation	0.27	0.27	0.27	0.338	0.338
57 Xcel Energy, Inc.	0.238	0.238	0.238	0.238	
average	0.3498	0.3492	0.3503	0.3506	0.3513
count	56	56	56	56	39

Source: Yahoo Finance June 1, 2009

Calculation of Annual Dividend			
	4Qs	last Q	last Q x 4
1 Allegheny Energy, Inc.	0.60	0.15	0.60
2 ALLETE, Inc.	1.74	0.44	1.76
3 Alliant Energy Corporation	1.45	0.38	1.50
4 Ameren Corporation	2.29	0.39	1.54
5 American Electric Power Company, Inc.	1.64	0.41	1.64
6 Avista Corporation	0.75	0.21	0.84
7 Black Hills Corporation	1.41	0.36	1.42
8 CenterPoint Energy, Inc.	0.75	0.19	0.76
9 Central Vermont Public Service Corporation	0.92	0.23	0.92
10 CH Energy Group, Inc.	2.16	0.54	2.16
11 Cleco Corporation	0.90	0.23	0.90
12 CMS Energy Corporation	0.43	0.13	0.50
13 Consolidated Edison, Inc.	2.35	0.59	2.36
14 Constellation Energy Group, Inc.	1.67	0.24	0.96
15 Dominion Resources, Inc.	1.67	0.44	1.75
16 DPL Inc.	1.12	0.29	1.14
17 DTE Energy Company	2.12	0.53	2.12
18 Duke Energy Corporation	0.92	0.23	0.92
19 Edison International	1.23	0.31	1.24
20 El Paso Electric Company			
21 Empire District Electric Company	1.28	0.32	1.28
22 Entergy Corporation	3.00	0.75	3.00
23 Exelon Corporation	2.08	0.53	2.10
24 FirstEnergy Corp.	2.20	0.55	2.20
25 FPL Group, Inc.	1.81	0.47	1.89
26 Great Plains Energy, Inc.	1.25	0.21	0.83
27 Hawaiian Electric Industries, Inc.	1.24	0.31	1.24
28 IDACORP, Inc.	1.20	0.30	1.20
29 Integrys Energy Group, Inc.	2.70	0.68	2.72
30 ITC Holdings Corp.	1.22	0.31	1.22
31 MDU Resources Group, Inc.	0.61	0.16	0.62
32 MGE Energy, Inc.	1.45	0.36	1.45
33 NiSource Inc.	0.92	0.23	0.92
34 Northeast Utilities	0.90	0.24	0.95
35 Northwestern Corp.	1.33	0.34	1.34
36 NSTAR	1.45	0.38	1.50
37 OGE Energy Corp.	1.41	0.36	1.42
38 Otter Tail Corporation	1.19	0.30	1.19
39 Pepco Holdings, Inc.	1.08	0.27	1.08
40 PG&E Corporation	1.59	0.42	1.68
41 Pinnacle West Capital Corporation	2.10	0.53	2.10
42 PNM Resources, Inc.	0.50	0.13	0.50
43 Portland General Electric Company	0.98	0.25	0.98
44 PPL Corporation	1.35	0.35	1.38
45 Progress Energy, Inc.	2.47	0.62	2.48
46 Public Service Enterprise Group Inc.	1.30	0.33	1.33
47 SCANA Corporation	1.85	0.47	1.88
48 Sempra Energy	1.44	0.39	1.56
49 NV Energy	0.38	0.10	0.40
50 Southern Company	1.70	0.44	1.75
51 TECO Energy, Inc.	0.80	0.20	0.80
52 UIL Holdings Corporatio	1.73	0.43	1.73
53 UniSource Energy Corporation	1.06	0.29	1.16
54 Vectren Corporation	1.33	0.34	1.34
55 Westar Energy, Inc.	1.17	0.30	1.20
56 Wisconsin Energy Corporation	1.22	0.34	1.35
57 Xcel Energy, Inc.	0.95	0.24	0.95
average	1.40	0.35	1.39
count	56	56	56

## Calculation of Dividend Yields

	Last 4Q Paid Dividends and Based on Average Stock Prices of:		
	6 month	3 month	1 month
1 Allegheny Energy, Inc.	2.13%	2.43%	2.27%
2 ALLETE, Inc.	6.10%	6.64%	6.49%
3 Alliant Energy Corporation	5.64%	6.20%	6.15%
4 Ameren Corporation	8.42%	10.08%	9.74%
5 American Electric Power Company, Inc.	5.71%	6.28%	6.31%
6 Avista Corporation	4.60%	5.14%	4.80%
7 Black Hills Corporation	6.54%	7.58%	6.95%
8 CenterPoint Energy, Inc.	6.53%	7.29%	7.05%
9 Central Vermont Public Service Corporation	4.59%	5.26%	5.59%
10 CH Energy Group, Inc.	4.74%	4.91%	4.93%
11 Cleco Corporation	4.18%	4.23%	4.34%
12 CMS Energy Corporation	3.84%	3.71%	3.71%
13 Consolidated Edison, Inc.	6.17%	6.35%	6.48%
14 Constellation Energy Group, Inc.	7.13%	7.70%	6.73%
15 Dominion Resources, Inc.	5.14%	5.47%	5.30%
16 DPL Inc.	5.14%	5.07%	5.08%
17 DTE Energy Company	6.83%	7.43%	6.94%
18 Duke Energy Corporation	6.44%	6.71%	6.62%
19 Edison International	4.15%	4.36%	4.21%
20 El Paso Electric Company			
21 Empire District Electric Company	8.16%	8.77%	8.25%
22 Entergy Corporation	4.15%	4.45%	4.25%
23 Exelon Corporation	4.18%	4.50%	4.29%
24 FirstEnergy Corp.	4.96%	5.60%	5.60%
25 FPL Group, Inc.	3.60%	3.51%	3.26%
26 Great Plains Energy, Inc.	7.88%	9.23%	8.63%
27 Hawaiian Electric Industries, Inc.	6.85%	8.35%	7.58%
28 IDACORP, Inc.	4.67%	5.17%	5.14%
29 Integrys Energy Group, Inc.	8.22%	10.39%	9.53%
30 ITC Holdings Corp.	2.96%	2.94%	2.83%
31 MDU Resources Group, Inc.	3.39%	3.71%	3.45%
32 MGE Energy, Inc.	4.64%	4.77%	4.77%
33 NiSource Inc.	8.92%	9.06%	8.36%
34 Northeast Utilities	4.07%	4.31%	4.32%
35 Northwestern Corp.	6.11%	6.31%	6.16%
36 NSTAR	4.45%	4.69%	4.59%
37 OGE Energy Corp.	5.78%	5.81%	5.42%
38 Otter Tail Corporation	5.75%	5.70%	5.72%
39 Pepco Holdings, Inc.	7.33%	8.71%	8.71%
40 PG&E Corporation	4.26%	4.26%	4.37%
41 Pinnacle West Capital Corporation	7.28%	7.95%	7.74%
42 PNM Resources, Inc.	5.50%	5.92%	5.27%
43 Portland General Electric Company	5.53%	5.71%	5.47%
44 PPL Corporation	4.49%	4.64%	4.30%
45 Progress Energy, Inc.	6.75%	7.10%	7.04%
46 Public Service Enterprise Group Inc.	4.40%	4.45%	4.15%
47 SCANA Corporation	5.78%	6.17%	6.20%
48 Sempra Energy	3.28%	3.21%	3.07%
49 NV Energy	3.90%	3.90%	3.69%
50 Southern Company	5.34%	5.81%	5.96%
51 TECO Energy, Inc.	7.13%	7.40%	6.92%
52 UIL Holdings Corporatio	7.04%	7.86%	7.69%
53 UniSource Energy Corporation	3.97%	4.02%	4.09%
54 Vectren Corporation	5.79%	6.31%	5.94%
55 Westar Energy, Inc.	6.41%	6.79%	6.67%
56 Wisconsin Energy Corporation	2.96%	3.08%	3.13%
57 Xcel Energy, Inc.	5.29%	5.34%	5.37%
average	5.45%	5.87%	5.67%
count	56	56	56

	Growth Rates						
	Value Line	Yahoo	Zacks	SNL	I/B/E/S	Avg.	Median
1 Allegheny Energy, Inc.	8.50%	16.33%	16.30%	11.00%	16.30%	13.69%	16.30%
2 ALLETE, Inc.	-1.00%	6.00%	4.00%	5.00%	6.00%	4.00%	5.00%
3 Alliant Energy Corporation	5.00%	5.95%	5.95%	6.00%	6.00%	5.78%	5.95%
4 Ameren Corporation	1.50%	4.00%	4.00%	4.00%	4.00%	3.50%	4.00%
5 American Electric Power Company, Inc.	4.50%	3.44%	5.50%	4.00%	3.40%	4.17%	4.00%
6 Avista Corporation	6.50%	4.67%	8.67%	5.00%	4.70%	5.91%	5.00%
7 Black Hills Corporation	6.50%	6.00%	6.00%	6.00%	6.00%	6.10%	6.00%
8 CenterPoint Energy, Inc.	3.00%	18.00%	7.00%	-	-	9.33%	7.00%
9 Central Vermont Public Service Corporation	3.00%	8.90%	-	-	-	5.95%	5.95%
10 CH Energy Group, Inc.	3.0%	-	-	-	-	3.00%	3.00%
11 Cleco Corporation	10.50%	11.70%	14.50%	11.70%	11.70%	12.02%	11.70%
12 CMS Energy Corporation	10.00%	6.67%	6.50%	7.00%	6.70%	7.37%	6.70%
13 Consolidated Edison, Inc.	2.50%	2.09%	3.50%	2.50%	2.10%	2.54%	2.50%
14 Constellation Energy Group, Inc.	-2.00%	14.80%	12.00%	14.80%	14.80%	10.88%	14.80%
15 Dominion Resources, Inc.	8.00%	6.56%	6.00%	6.00%	6.60%	6.63%	6.56%
16 DPL Inc.	8.00%	7.43%	7.43%	8.30%	7.40%	7.71%	7.43%
17 DTE Energy Company	4.50%	3.50%	6.00%	3.50%	3.50%	4.20%	3.50%
18 Duke Energy Corporation	5.00%	4.26%	5.00%	4.30%	4.30%	4.57%	4.30%
19 Edison International	3.50%	2.05%	6.33%	4.10%	2.10%	3.62%	3.50%
20 El Paso Electric Company							
21 Empire District Electric Company	8.50%	6.00%	-	-	-	7.25%	7.25%
22 Entergy Corporation	6.00%	9.02%	7.25%	8.00%	9.00%	7.85%	8.00%
23 Exelon Corporation	7.50%	5.42%	8.00%	5.00%	5.40%	6.26%	5.42%
24 FirstEnergy Corp.	4.00%	6.67%	7.33%	7.00%	6.70%	6.34%	6.70%
25 FPL Group, Inc.	10.00%	9.80%	9.07%	10.00%	9.80%	9.73%	9.80%
26 Great Plains Energy, Inc.	-0.50%	7.69%	8.50%	7.70%	7.70%	6.22%	7.70%
27 Hawaiian Electric Industries, Inc.	7.00%	4.87%	6.05%	3.00%	4.90%	5.16%	4.90%
28 IDACORP, Inc.	4.50%	5.00%	5.00%	5.00%	5.00%	4.90%	5.00%
29 Integrys Energy Group, Inc.	4.50%	12.55%	13.55%	12.60%	12.60%	11.16%	12.60%
30 ITC Holdings Corp.	15.00%	16.00%	16.00%	16.00%	16.00%	15.80%	16.00%
31 MDU Resources Group, Inc.	5.00%	7.00%	7.80%	7.00%	7.00%	6.76%	7.00%
32 MGE Energy, Inc.	6.00%	-	-	-	-	6.00%	6.00%
33 NiSource Inc.	1.50%	1.60%	2.67%	3.00%	1.60%	2.07%	1.60%
34 Northeast Utilities	8.00%	7.54%	8.40%	8.00%	7.50%	7.89%	8.00%
35 Northwestern Corp.	-	9.50%	9.33%	9.50%	-	9.44%	9.50%
36 NSTAR	8.00%	6.67%	7.00%	6.00%	6.70%	6.87%	6.70%
37 OGE Energy Corp.	4.50%	6.00%	5.50%	6.00%	6.00%	5.60%	6.00%
38 Otter Tail Corporation	5.50%	8.50%	11.67%	8.50%	8.50%	8.53%	8.50%
39 Pepco Holdings, Inc.	3.00%	3.67%	4.00%	3.00%	3.70%	3.47%	3.67%
40 PG&E Corporation	6.50%	7.03%	6.88%	6.80%	7.00%	6.84%	6.88%
41 Pinnacle West Capital Corporation	3.00%	4.50%	5.50%	4.50%	4.50%	4.40%	4.50%
42 PNM Resources, Inc.	5.00%	5.00%	6.67%	5.00%	5.00%	5.33%	5.00%
43 Portland General Electric Company	5.50%	7.14%	6.67%	6.00%	7.10%	6.48%	6.67%
44 PPL Corporation	10.50%	12.67%	9.00%	12.00%	12.70%	11.37%	12.00%
45 Progress Energy, Inc.	6.00%	5.54%	4.80%	5.00%	5.50%	5.37%	5.50%
46 Public Service Enterprise Group Inc.	7.50%	7.00%	6.67%	7.00%	7.00%	7.03%	7.00%
47 SCANA Corporation	4.00%	5.42%	5.00%	5.00%	5.40%	4.96%	5.00%
48 Sempra Energy	5.00%	6.48%	6.50%	7.00%	6.50%	6.30%	6.50%
49 NV Energy	4.50%	14.52%	10.67%	15.00%	14.50%	11.84%	14.50%
50 Southern Company	4.50%	5.36%	5.00%	5.80%	5.40%	5.21%	5.36%
51 TECO Energy, Inc.	4.50%	8.52%	10.22%	5.50%	8.50%	7.45%	8.50%
52 UIL Holdings Corporation	2.50%	4.43%	5.57%	4.30%	4.40%	4.24%	4.40%
53 UniSource Energy Corporation	17.50%	5.00%	5.00%	5.00%	5.00%	7.50%	5.00%
54 Vectren Corporation	6.00%	6.90%	7.34%	6.00%	6.90%	6.63%	6.90%
55 Westar Energy, Inc.	4.00%	3.59%	5.67%	4.00%	3.60%	4.17%	4.00%
56 Wisconsin Energy Corporation	8.00%	8.93%	8.43%	9.00%	8.90%	8.65%	8.90%
57 Xcel Energy, Inc.	6.50%	6.38%	5.50%	6.00%	6.40%	6.16%	6.38%
average	5.63%	7.23%	7.36%	6.81%	6.96%	6.75%	6.44%
count	55	54	52	51	50	56	56

*El Paso Electric* does not pay common dividends; not included in any DCF calculation.

All growth rates were collected on June 1, 2009

Summary of Proxy Groups Return on Equity							
		<u>Appendix</u>	<u>6 months</u>	<u>3 months</u>	<u>1 month</u>	<u>Average</u>	<u>Median</u>
<b><u>Value Line:</u></b>							
1	All Companies	6.2	12.46%	12.93%	12.75%	12.71%	12.75%
2	East	6.3	12.23%	12.65%	12.56%	12.48%	12.56%
3	Central	6.4	13.45%	13.99%	13.76%	13.73%	13.76%
4	West	6.5	11.18%	11.62%	11.36%	11.39%	11.36%
<b><u>Edison Electric Institute:</u></b>							
5	All Companies	6.6	12.43%	12.89%	12.67%	12.66%	12.67%
6	Regulated	6.7	12.13%	12.55%	12.41%	12.36%	12.41%
7	Mostly Regulated	6.8	12.31%	12.79%	12.53%	12.55%	12.53%
8	Diversified	6.9	13.81%	14.41%	14.00%	14.07%	14.00%
<b><u>Institutional Investor:</u></b>							
9	PSNH Proxy	6.10	11.96%	12.32%	12.21%	12.17%	12.21%
10	Single-State Regulation	6.11	12.24%	12.51%	12.41%	12.39%	12.41%
11	Multi-State Regulation	6.12	11.73%	12.17%	12.05%	11.98%	12.05%
12	<b><u>New England Proxy</u></b>	6.13	12.66%	13.06%	12.88%	12.86%	12.88%
	Average		12.38%	12.82%	12.63%	12.61%	12.63%
	Median		12.28%	12.72%	12.55%	12.51%	12.55%
	Minimum		11.18%	11.62%	11.36%	11.39%	11.36%
	Maximum		13.81%	14.41%	14.00%	14.07%	14.00%
	Mid-point		12.49%	13.02%	12.68%	12.73%	12.68%
	Standard Deviation		0.70%	0.76%	0.71%	0.72%	0.71%
	count		12	12	12	12	12



## Calculation of ROE for All 57 Companies

	Average All Growth Rate	ROE based on 6 month Stock Price			ROE based on 3 month Stock Price			ROE based on 1 month Stock Price		
		6 month Yield	Adjusted Yield	ROE Adj Yield plus	3 month Yield	Adjusted Yield	ROE Adj Yield plus	1 month Yield	Adjusted Yield	ROE Adj Yield plus
		4Q Div	x GR	GR	4Q Div	x GR	GR	4Q Div	x GR	GR
1 Allegheny Energy	13.69%	2.13%	2.42%	16.11%	2.43%	2.76%	16.45%	2.27%	2.58%	16.27%
2 ALLETE	4.00%	6.10%	6.35%	10.35%	6.64%	6.91%	10.91%	6.49%	6.74%	10.74%
3 Alliant Energy	5.78%	5.64%	5.97%	11.75%	6.20%	6.55%	12.33%	6.15%	6.50%	12.28%
4 Ameren Corp.	3.50%	8.42%	8.71%	12.21%	10.08%	10.43%	13.93%	9.74%	10.08%	13.58%
5 Amer. Elec. Power	4.17%	5.71%	5.95%	10.11%	6.28%	6.55%	10.71%	6.31%	6.58%	10.75%
6 Avista Corp.	5.91%	4.60%	4.87%	10.78%	5.14%	5.44%	11.35%	4.80%	5.08%	10.99%
7 Black Hills	6.10%	6.54%	6.94%	13.04%	7.58%	8.04%	14.14%	6.95%	7.37%	13.47%
8 CenturPoint Energy	9.33%	6.53%	7.14%	16.47%	7.29%	7.97%	17.30%	7.05%	7.71%	17.04%
9 Cen Vermont Public Service	5.95%	4.59%	4.86%	10.81%	5.26%	5.58%	11.53%	5.59%	5.93%	11.88%
10 CH Energy Group	3.00%	4.74%	4.88%	7.88%	4.91%	5.05%	8.05%	4.93%	5.08%	8.08%
11 Cleco Corp.	12.02%	4.18%	4.68%	16.70%	4.23%	4.73%	16.75%	4.34%	4.86%	16.88%
12 CMS Energy Corp.	7.37%	3.84%	4.12%	11.50%	3.71%	3.98%	11.36%	3.71%	3.98%	11.35%
13 Consol. Edison	2.54%	6.17%	6.32%	8.86%	6.35%	6.51%	9.05%	6.48%	6.64%	9.18%
14 Constellation Energy	10.88%	7.13%	7.90%	18.78%	7.70%	8.53%	19.41%	6.73%	7.46%	18.34%
15 Dominion Resources	6.63%	5.14%	5.48%	12.11%	5.47%	5.83%	12.47%	5.30%	5.65%	12.29%
16 DPL Inc.	7.71%	5.14%	5.53%	13.24%	5.07%	5.46%	13.17%	5.08%	5.47%	13.18%
17 DTE Energy	4.20%	6.83%	7.11%	11.31%	7.43%	7.75%	11.95%	6.94%	7.23%	11.43%
18 Duke Energy	4.57%	6.44%	6.73%	11.30%	6.71%	7.01%	11.59%	6.62%	6.92%	11.49%
19 Edison Int'l	3.62%	4.15%	4.30%	7.91%	4.36%	4.52%	8.13%	4.21%	4.36%	7.98%
20 El Paso Electric										
21 Empire Dist. Elec.	7.25%	8.16%	8.75%	16.00%	8.77%	9.41%	16.66%	8.25%	8.85%	16.10%
22 Entergy Corp.	7.85%	4.15%	4.48%	12.33%	4.45%	4.80%	12.66%	4.25%	4.58%	12.44%
23 Exelon Corp.	6.26%	4.18%	4.44%	10.71%	4.50%	4.78%	11.05%	4.29%	4.56%	10.82%
24 FirstEnergy Corp.	6.34%	4.96%	5.27%	11.61%	5.60%	5.96%	12.30%	5.60%	5.96%	12.30%
25 FPL Group	9.73%	3.60%	3.95%	13.69%	3.51%	3.85%	13.59%	3.26%	3.58%	13.31%
26 G4 Plains Energy	6.22%	7.88%	8.37%	14.59%	9.23%	9.80%	16.02%	8.63%	9.16%	15.38%
27 Hawaiian Electric	5.16%	6.85%	7.20%	12.37%	8.35%	8.78%	13.94%	7.58%	7.97%	13.14%
28 IDACORP, Inc.	4.90%	4.67%	4.90%	9.80%	5.17%	5.42%	10.32%	5.14%	5.39%	10.29%
29 Integrys Energy	11.16%	8.22%	9.14%	20.30%	10.39%	11.55%	22.71%	9.53%	10.60%	21.76%
30 ITC Holdings	15.80%	2.96%	3.43%	19.23%	2.94%	3.40%	19.20%	2.83%	3.28%	19.08%
31 MDU Resources	6.76%	3.39%	3.62%	10.38%	3.71%	3.96%	10.72%	3.45%	3.68%	10.44%
32 MGE Energy	6.00%	4.64%	4.92%	10.92%	4.77%	5.06%	11.06%	4.77%	5.06%	11.06%
33 NiSource Inc.	2.07%	8.92%	9.11%	11.18%	9.06%	9.24%	11.32%	8.36%	8.53%	10.61%
34 Northeast Utilities	7.89%	4.07%	4.40%	12.28%	4.31%	4.65%	12.54%	4.32%	4.66%	12.55%
35 Northwestern Corp.	9.44%	6.11%	6.69%	16.13%	6.31%	6.91%	16.35%	6.16%	6.74%	16.18%
36 NSTAR	6.87%	4.45%	4.76%	11.63%	4.69%	5.02%	11.89%	4.59%	4.90%	11.78%
37 OGE Energy Corp.	5.60%	5.78%	6.10%	11.70%	5.81%	6.14%	11.74%	5.42%	5.73%	11.33%
38 Otter Tail Corp.	8.53%	5.75%	6.24%	14.77%	5.70%	6.19%	14.72%	5.72%	6.21%	14.75%
39 Pepco Holdings	3.47%	7.33%	7.59%	11.06%	8.71%	9.01%	12.49%	8.71%	9.01%	12.48%
40 PG&E Corp.	6.84%	4.26%	4.55%	11.39%	4.26%	4.55%	11.39%	4.37%	4.67%	11.51%
41 Pinnacle West Capital	4.40%	7.28%	7.60%	12.00%	7.95%	8.30%	12.70%	7.74%	8.08%	12.48%
42 PNM Resources	5.33%	5.50%	5.79%	11.13%	5.92%	6.24%	11.57%	5.27%	5.56%	10.89%
43 Portland General	6.48%	5.53%	5.89%	12.37%	5.71%	6.08%	12.56%	5.47%	5.82%	12.30%
44 PPL Corp.	11.37%	4.49%	5.00%	16.38%	4.64%	5.16%	16.54%	4.30%	4.79%	16.16%
45 Progress Energy	5.37%	6.75%	7.11%	12.48%	7.10%	7.48%	12.85%	7.04%	7.41%	12.78%
46 Public Serv. Enterprise	7.03%	4.40%	4.71%	11.74%	4.45%	4.77%	11.80%	4.15%	4.44%	11.48%
47 SCANA Corp.	4.96%	5.78%	6.07%	11.03%	6.17%	6.48%	11.45%	6.20%	6.51%	11.47%
48 Sempra Energy	6.30%	3.28%	3.49%	9.78%	3.21%	3.41%	9.71%	3.07%	3.26%	9.56%
49 NV Energy, Inc.	11.84%	3.90%	4.36%	16.19%	3.90%	4.37%	16.21%	3.69%	4.13%	15.97%
50 Southern Co.	5.21%	5.34%	5.62%	10.83%	5.81%	6.12%	11.33%	5.96%	6.27%	11.48%
51 TECO Energy	7.45%	7.13%	7.66%	15.11%	7.40%	7.95%	15.39%	6.92%	7.43%	14.88%
52 UIL Holding Corp.	4.24%	7.04%	7.34%	11.58%	7.86%	8.20%	12.44%	7.69%	8.01%	12.25%
53 UniSource Energy Corp.	7.50%	3.97%	4.27%	11.77%	4.02%	4.32%	11.82%	4.09%	4.40%	11.90%
54 Vectren Corp.	6.63%	5.79%	6.18%	12.81%	6.31%	6.73%	13.36%	5.94%	6.33%	12.96%
55 Westar Energy	4.17%	6.41%	6.68%	10.85%	6.79%	7.07%	11.25%	6.67%	6.95%	11.12%
56 Wisconsin Energy	8.65%	2.96%	3.21%	11.87%	3.08%	3.34%	11.99%	3.13%	3.40%	12.06%
57 Xcel Energy Inc.	6.16%	5.29%	5.62%	11.77%	5.34%	5.67%	11.82%	5.37%	5.70%	11.85%
average	6.75%	5.45%	5.80%	12.55%	5.87%	6.25%	13.00%	5.67%	6.03%	12.79%
median	6.28%	5.42%	5.71%	11.76%	5.70%	6.10%	12.32%	5.53%	5.87%	12.27%
minimum	2.07%	2.13%	2.42%	7.88%	2.43%	2.76%	8.05%	2.27%	2.58%	7.98%
maximum	15.80%	8.92%	9.14%	20.30%	10.39%	11.55%	22.71%	9.74%	10.60%	21.76%
mid-point	8.94%	5.53%	5.78%	14.09%	6.41%	7.15%	15.38%	6.00%	6.59%	14.87%
standard deviation	2.78%	1.53%	1.58%	2.65%	1.85%	1.93%	2.79%	1.72%	1.79%	2.66%
count	56	56	56	56	56	56	56	56	56	56

Value Line - All Companies  
Based on Average Stock Prices of:

	6 months	3 months	1 month
	ROE	ROE	ROE
	Adj Yield	Adj Yield	Adj Yield
	plus	plus	plus
	Growth Rate	Growth Rate	Growth Rate
1 Allegheny Energy	16.11%	16.45%	16.27%
2 ALLETE	10.35%	10.91%	10.74%
3 Alliant Energy	11.75%	12.33%	12.28%
4 Ameren Corp.	12.21%	13.93%	13.58%
5 Amer. Elec. Power	10.11%	10.71%	10.75%
6 Avista Corp.	10.78%	11.35%	10.99%
7 Black Hills	13.04%	14.14%	13.47%
8 CenterPoint Energy	16.47%	17.30%	17.04%
9 Cen Vermont Public Service	10.81%	11.53%	11.88%
10 CH Energy Group	7.88%	8.05%	8.08%
11 Cleco Corp.	16.70%	16.75%	16.88%
12 CMS Energy Corp.	11.50%	11.36%	11.35%
13 Consol. Edison	8.86%	9.05%	9.18%
14 Constellation Energy	18.78%	19.41%	18.34%
15 Dominion Resources	12.11%	12.47%	12.29%
16 DPL Inc.	13.24%	13.17%	13.18%
17 DTE Energy	11.31%	11.95%	11.43%
18 Duke Energy	11.30%	11.59%	11.49%
19 Edison Int'l	7.91%	8.13%	7.98%
20 <i>El Paso Electric</i>			
21 Empire Dist. Elec.	16.00%	16.66%	16.10%
22 Entergy Corp.	12.33%	12.66%	12.44%
23 Exelon Corp.	10.71%	11.05%	10.82%
24 FirstEnergy Corp.	11.61%	12.30%	12.30%
25 FPL Group	13.69%	13.59%	13.31%
26 G't Plains Energy	14.59%	16.02%	15.38%
27 Hawaiian Electric	12.37%	13.94%	13.14%
28 IDACORP, Inc.	9.80%	10.32%	10.29%
29 Integrys Energy	20.30%	22.71%	21.76%
30 ITC Holdings	19.23%	19.20%	19.08%
31 MGE Energy	10.92%	11.06%	11.06%
32 Northeast Utilities	11.18%	11.32%	12.55%
33 NSTAR	11.63%	11.89%	11.78%
34 OGE Energy	11.70%	11.74%	11.33%
35 Otter Tail Corp.	14.77%	14.72%	14.75%
36 Pepco Holdings	11.06%	12.49%	12.48%
37 PG&E Corp.	11.39%	11.39%	11.51%
38 Pinnacle West Capital	12.00%	12.70%	12.48%
39 PNM Resources	11.13%	11.57%	10.89%
40 Portland General	12.37%	12.56%	12.30%
41 PPL Corp.	16.15%	16.54%	16.16%
42 Progress Energy	12.48%	12.85%	12.78%
43 Public Serv. Enterprise	11.74%	11.80%	11.48%
44 SCANA Corp.	11.03%	11.45%	11.47%
45 Sempra Energy	9.78%	9.71%	9.56%
46 Southern Co.	10.83%	11.33%	11.48%
47 TECO Energy	15.11%	15.39%	14.88%
48 UIL Holdings	11.58%	12.44%	12.25%
49 Unisource Energy	11.77%	11.82%	11.90%
50 Vectren Corp.	12.81%	13.36%	12.96%
51 Westar Energy	10.85%	11.25%	11.12%
52 Wisconsin Energy	11.87%	11.99%	12.06%
53 Xcel Energy Inc.	11.77%	11.82%	11.85%
Value Line - All			
average	12.46%	12.93%	12.75%
median	11.74%	12.15%	12.27%
minimum	7.88%	8.05%	7.98%
maximum	20.30%	22.71%	21.76%
mid-point	28.18%	30.76%	29.74%
standard deviation	2.63%	2.80%	2.64%
count	52	52	52

Appendix DCF 6.3

Value Line - East  
Based on Average Stock Prices of:

	<u>6 months</u>	<u>3 months</u>	
	ROE	ROE	ROE
	Adj Yield	Adj Yield	Adj Yield
	plus	plus	plus
	<u>Growth Rate</u>	<u>Growth Rate</u>	<u>Growth Rate</u>
1 Allegheny Energy	16.11%	16.45%	16.27%
2 Cen Vermont Public Service	10.81%	11.53%	11.88%
3 CH Energy Group	7.88%	8.05%	8.08%
4 Consol. Edison	8.86%	9.05%	9.18%
5 Constellation Energy	18.78%	19.41%	18.34%
6 Dominion Resources	12.11%	12.47%	12.29%
7 Duke Energy	11.30%	11.59%	11.49%
8 Exelon Corp.	10.71%	11.05%	10.82%
9 FirstEnergy Corp.	11.61%	12.30%	12.30%
10 FPL Group	13.69%	13.59%	13.31%
11 Northeast Utilities	11.18%	11.32%	12.55%
12 NSTAR	11.63%	11.89%	11.78%
13 Pepco Holdings	11.06%	12.49%	12.48%
14 PPL Corp.	16.15%	16.54%	16.16%
15 Progress Energy	12.48%	12.85%	12.78%
16 Public Serv. Enterprise	11.74%	11.80%	11.48%
17 SCANA Corp.	11.03%	11.45%	11.47%
18 Southern Co.	10.83%	11.33%	11.48%
19 TECO Energy	15.11%	15.39%	14.88%
20 UIL Holdings	11.58%	12.44%	12.25%

Value Line - East

average	12.23%	12.65%	12.56%
median	11.59%	12.09%	12.27%
minimum	7.88%	8.05%	8.08%
maximum	18.78%	19.41%	18.34%
mid-point	13.33%	13.73%	13.21%
standard deviation	2.58%	2.61%	2.37%
count	20	20	20

Appendix DCF 6.4

		Value Line - Central Based on Average Stock Prices of:		
		6 months	3 months	1 month
		ROE	ROE	ROE
		Adj Yield	Adj Yield	Adj Yield
		plus	plus	plus
		Growth Rate	Growth Rate	Growth Rate
1	ALLETE	10.35%	10.91%	10.74%
2	Alliant Energy	11.75%	12.33%	12.28%
3	Ameren Corp.	12.21%	13.93%	13.58%
4	Amer. Elec. Power	10.11%	10.71%	10.75%
5	CenterPoint Energy	16.47%	17.30%	17.04%
6	Cleco Corp.	16.70%	16.75%	16.88%
7	CMS Energy Corp.	11.50%	11.36%	11.35%
8	DPL Inc.	13.24%	13.17%	13.18%
9	DTE Energy	11.31%	11.95%	11.43%
10	Empire Dist. Elec.	16.00%	16.66%	16.10%
11	Entergy Corp.	12.33%	12.66%	12.44%
12	G't Plains Energy	14.59%	16.02%	15.38%
13	Integrus Energy	20.30%	22.71%	21.76%
14	ITC Holdings	19.23%	19.20%	19.08%
15	MGE Energy	10.92%	11.06%	11.06%
16	OGE Energy	11.70%	11.74%	11.33%
17	Otter Tail corp.	14.77%	14.72%	14.75%
18	Vectren Corp.	12.81%	13.36%	12.96%
19	Westar Energy	10.85%	11.25%	11.12%
20	Wisconsin Energy	11.87%	11.99%	12.06%
Value Line - Central				
	average central	13.45%	13.99%	13.76%
	median central	12.27%	12.91%	12.70%
	minimum central	10.11%	10.71%	10.74%
	maximum central	20.30%	22.71%	21.76%
	mid-point central	15.20%	16.71%	16.25%
	standard deviation	2.88%	3.16%	3.03%
	count	20	20	20

## Appendix DCF 6.5

Value Line - West		Based on Average Stock Prices of:		
		6 months	3 months	1 month
		ROE	ROE	ROE
		Adj Yield	Adj Yield	Adj Yield
		plus	plus	plus
		Growth Rate	Growth Rate	Growth Rate
1	Avista Corp.	10.78%	11.35%	10.99%
2	Black Hills	13.04%	14.14%	13.47%
3	Edison Int'l	7.91%	8.13%	7.98%
4	<i>El Paso Electric</i>			
5	Hawaiian Elec.	12.37%	13.94%	13.14%
6	IDACORP, Inc.	9.80%	10.32%	10.29%
7	PG&E Corp.	11.39%	11.39%	11.51%
8	Pinnacle West Capital	12.00%	12.70%	12.48%
9	PNM Resources	11.13%	11.57%	10.89%
10	Portland General	12.37%	12.56%	12.30%
11	Sempra Energy	9.78%	9.71%	9.56%
12	UniSource Energy	11.77%	11.82%	11.90%
13	Xcel Energy Inc.	11.77%	11.82%	11.85%
Value Line - West				
average		11.18%	11.62%	11.36%
median		11.39%	11.57%	11.51%
minimum		7.91%	8.13%	7.98%
maximum		13.04%	14.14%	13.47%
mid-point		10.47%	11.14%	10.72%
standard deviation		3.39%	3.61%	3.48%
count		12	12	12

## Edison Electric Institute - All Companies

Based on Average Stock Prices of:

		6 months	3 months	1 month
		ROE	ROE	ROE
		Adj Yield	Adj Yield	Adj Yield
		plus	plus	plus
		Growth Rate	Growth Rate	Growth Rate
1	Allegheny Energy	16.11%	16.45%	16.27%
2	ALLETE	10.35%	10.91%	10.74%
3	Alliant Energy	11.75%	12.33%	12.28%
4	Ameren Corp.	12.21%	13.93%	13.58%
5	Amer. Elec. Power	10.11%	10.71%	10.75%
6	Avista Corp.	10.78%	11.35%	10.99%
7	Black Hills	13.04%	14.14%	13.47%
8	CenterPoint Energy	16.47%	17.30%	17.04%
9	Cen Vermont Public Service	10.81%	11.53%	11.88%
10	CH Energy Group	7.88%	8.05%	8.08%
11	Cleco Corp.	16.70%	16.75%	16.88%
12	CMS Energy Corp.	11.50%	11.36%	11.35%
13	Consol. Edison	8.86%	9.05%	9.18%
14	Constellation Energy	18.78%	19.41%	18.34%
15	Dominion Resources	12.11%	12.47%	12.29%
16	DPL Inc.	13.24%	13.17%	13.18%
17	DTE Energy	11.31%	11.95%	11.43%
18	Duke Energy	11.30%	11.59%	11.49%
19	Edison Int'l	7.91%	8.13%	7.98%
20	El Paso Electric			
21	Empire Dist. Elec.	16.00%	16.66%	16.10%
22	Entergy Corp.	12.33%	12.66%	12.44%
23	Exelon Corp.	10.71%	11.05%	10.82%
24	FirstEnergy Corp.	11.61%	12.30%	12.30%
25	FPL Group	13.69%	13.59%	13.31%
26	G't Plains Energy	14.59%	16.02%	15.38%
27	Hawaiian Elec	12.37%	13.94%	13.14%
28	IDACORP, Inc.	9.80%	10.32%	10.29%
29	Integrus Energy	20.30%	22.71%	21.76%
30	MDU Resources	10.38%	10.72%	10.44%
31	MGE Energy	10.92%	11.06%	11.06%
32	NiSource Inc.	11.18%	11.32%	10.61%
33	Northeast Utilities	12.28%	12.54%	12.55%
34	Northwestern Corp.	16.13%	16.35%	16.18%
35	NSTAR	11.63%	11.89%	11.78%
36	OGE Energy	11.70%	11.74%	11.33%
37	Otter Tail corp.	14.77%	14.72%	14.75%
38	Pepco Holdings	11.06%	12.49%	12.48%
39	PG&E Corp.	11.39%	11.39%	11.51%
40	Pinnacle West Capital	12.00%	12.70%	12.48%
41	PNM Resources	11.13%	11.57%	10.89%
42	Portland General	12.37%	12.56%	12.30%
43	PPL Corp.	16.38%	16.54%	16.16%
44	Progress Energy	12.48%	12.85%	12.78%
45	Public Serv. Enterprise	11.74%	11.80%	11.48%
46	SCANA Corp.	11.03%	11.45%	11.47%
47	Sempra Energy	9.78%	9.71%	9.56%
48	NV Energy, Inc.	16.19%	16.21%	15.97%
49	Southern Co.	10.83%	11.33%	11.48%
50	TECO Energy	15.11%	15.39%	14.88%
51	UIL Holdings	11.58%	12.44%	12.25%
52	Unisource Energy	11.77%	11.82%	11.90%
53	Vectren Corp.	12.81%	13.36%	12.96%
54	Westar Energy	10.85%	11.25%	11.12%
55	Wisconsin Energy	11.87%	11.99%	12.06%
56	Xcel Energy Inc.	11.77%	11.82%	11.85%
Edison Electric Institute - All Companies				
	average	12.43%	12.89%	12.67%
	median	11.75%	12.15%	12.25%
	minimum	7.88%	8.05%	7.98%
	maximum	20.30%	22.71%	21.76%
	mid-point	28.18%	30.76%	29.74%
	standard deviation	2.51%	2.66%	2.54%
	count	55	54	55

Edison Electric Institute - Regulated			
Based on Average Stock Prices of:			
	6 months	3 months	1 month
	ROE	ROE	ROE
	Adj Yield	Adj Yield	Adj Yield
	plus	plus	plus
	Growth Rate	Growth Rate	Growth Rate
1 ALLETE	10.35%	10.91%	10.74%
2 Alliant Energy	11.75%	12.33%	12.28%
3 Ameren Corp.	12.21%	13.93%	13.58%
4 Amer. Elec. Power	10.11%	10.71%	10.75%
5 Avista Corp.	10.78%	11.35%	10.99%
6 Cen Vermont Public Service	10.81%	11.53%	11.88%
7 CH Energy	7.88%	8.05%	8.08%
8 Cleco Corp.	16.70%	16.75%	16.88%
9 CMS Energy Corp.	11.50%	11.36%	11.35%
10 Consol. Edison	8.86%	9.05%	9.18%
11 DPL Inc.	13.24%	13.17%	13.18%
12 DTE Energy	11.31%	11.95%	11.43%
13 <i>El Paso Electric</i>			
14 Empire Dist. Elec.	16.00%	16.66%	16.10%
15 G't Plains Energy	14.59%	16.02%	15.38%
16 IDACORP, Inc.	9.80%	10.32%	10.29%
17 Northeast Utilities	12.28%	12.54%	12.55%
18 Northwestern Corp.	16.13%	16.35%	16.18%
19 NSTAR	11.63%	11.89%	11.78%
20 PG&E Corp.	11.39%	11.39%	11.51%
21 Pinnacle West Capital	12.00%	12.70%	12.48%
22 PNM Resources	11.13%	11.57%	10.89%
23 Portland General	12.37%	12.56%	12.30%
24 Progress Energy	12.48%	12.85%	12.78%
25 NV Energy, Inc.	16.19%	16.21%	15.97%
26 Southern Co.	10.83%	11.33%	11.48%
27 TECO Energy	15.11%	15.39%	14.88%
28 UIL Holdings	11.58%	12.44%	12.25%
29 Unisource Energy	11.77%	11.82%	11.90%
30 Vectren Corp.	12.81%	13.36%	12.96%
31 Westar Energy	10.85%	11.25%	11.12%
32 Wisconsin Energy	11.87%	11.99%	12.06%
33 Xcel Energy Inc.	11.77%	11.82%	11.85%
Edison Electric Institute - Regulated			
average	12.13%	12.55%	12.41%
median	11.76%	11.97%	11.98%
minimum	7.88%	8.05%	8.08%
maximum	16.70%	16.75%	16.88%
mid-point	12.29%	12.40%	12.48%
standard deviation	2.10%	2.13%	2.03%
count	32	32	32

Edison Electric Institute - Mostly Regulated			
Based on Average Stock Prices of:			
	6 months	3 months	1 month
	ROE	ROE	ROE
	Adj Yield	Adj Yield	Adj Yield
	plus	plus	plus
	<u>Growth Rate</u>	<u>Growth Rate</u>	<u>Growth Rate</u>
1 Black Hills	13.04%	14.14%	13.47%
2 CenterPoint Energy	16.47%	17.30%	17.04%
3 Dominion Resources	12.11%	12.47%	12.29%
4 Duke Energy	11.30%	11.59%	11.49%
5 Edison Int'l	7.91%	8.13%	7.98%
6 Entergy Corp.	12.33%	12.66%	12.44%
7 Exelon Corp.	10.71%	11.05%	10.82%
8 FirstEnergy Corp.	11.61%	12.30%	12.30%
9 FPL Group	13.69%	13.59%	13.31%
10 Integrys Energy	20.30%	22.71%	21.76%
11 MGE Energy	10.92%	11.06%	11.06%
12 NiSource Inc.	11.18%	11.32%	10.61%
13 Northeast Utilities	11.70%	11.74%	11.33%
14 Northwestern Corp.	14.77%	14.72%	14.75%
15 Pepco Holdings	11.06%	12.49%	12.48%
16 Public Serv. Enterprise	11.74%	11.80%	11.48%
17 SCANA Corp.	11.03%	11.45%	11.47%
18 Sempra Energy	9.78%	9.71%	9.56%
Edison Electric Institute - Mostly Regulated			
average	12.31%	12.79%	12.53%
median	11.65%	12.05%	11.89%
minimum	7.91%	8.13%	7.98%
maximum	20.30%	22.71%	21.76%
mid-point	14.10%	15.42%	14.87%
standard deviation	2.73%	3.16%	3.02%
count	18	18	18



Appendix DCF 6.9.0

Edison Electric Institute - Diversified

Based on Average Stock Prices of:

	<u>6 Months</u>	<u>3 Months</u>	<u>1 month</u>
	ROE	ROE	ROE
	Adj Yield	Adj Yield	Adj Yield
	plus	plus	plus
	<u>Growth Rate</u>	<u>Growth Rate</u>	<u>Growth Rate</u>
1 Allegheny Energy	16.11%	16.45%	16.27%
2 Hawaiian Elec.	12.37%	13.94%	13.14%
3 MDU Resources	10.38%	10.72%	10.44%
4 PPL Corp.	16.38%	16.54%	16.16%

Edison Electric Institute - Diversified

average	13.81%	14.41%	14.00%
median	14.24%	15.19%	14.65%
minimum	10.38%	10.72%	10.44%
maximum	16.38%	16.54%	16.27%
mid-point	13.38%	13.63%	13.36%
standard deviation	2.93%	2.74%	2.78%
count	4	4	4

Institutional Investor - PSNH Proxy			
Based on Average Stock Prices of:			
	<u>6 month</u>	<u>3 months</u>	<u>1 month</u>
	ROE	ROE	ROE
	Adj Yield	Adj Yield	Adj Yield
	plus	plus	plus
	<u>Growth Rate</u>	<u>Growth Rate</u>	<u>Growth Rate</u>
1 ALLETE	10.35%	10.91%	10.74%
2 Alliant Energy Corporation	11.75%	12.33%	12.28%
3 Amer. Elec. Power	10.11%	10.71%	10.75%
4 Avista Corp.	10.78%	11.35%	10.99%
5 CH Energy Group	7.88%	8.05%	8.08%
6 Cleco Corp.	16.70%	16.75%	16.88%
7 Consol. Edison	8.86%	9.05%	9.18%
8 DPL Inc.	13.24%	13.17%	13.18%
9 DTE Energy Company	11.31%	11.95%	11.43%
10 Empire Dist. Elec.	16.00%	16.66%	16.10%
11 IDACORP, Inc.	9.80%	10.32%	10.29%
12 Northeast Utilities	12.28%	12.54%	12.55%
13 Northwestern Corporation	16.13%	16.35%	16.18%
14 NSTAR	11.63%	11.89%	11.78%
15 PG&E Corp.	11.39%	11.39%	11.51%
16 Pinnacle West Capital	12.00%	12.70%	12.48%
17 Portland General	12.37%	12.56%	12.30%
18 Progress Energy	12.48%	12.85%	12.78%
19 Southern Co.	10.83%	11.33%	11.48%
20 TECO Holding Corp.	15.11%	15.39%	14.88%
21 UIL Holding Company	11.58%	12.44%	12.25%
22 Westar Energy	10.85%	11.25%	11.12%
23 Wisconsin Energy	11.87%	11.99%	12.06%
24 Xcel Energy Inc.	11.77%	11.82%	11.85%
Institutional Investor - PSNH Proxy			
average	11.96%	12.32%	12.21%
median	11.69%	11.97%	11.95%
minimum	7.88%	8.05%	8.08%
maximum	16.70%	16.75%	16.88%
mid-point	12.29%	12.40%	12.48%
standard deviation	2.19%	2.16%	2.09%
count	24	24	24

## Appendix DCF 6.11

Institutional Investor - PSNH Proxy  
Single State RegulationBased on Average Stock Prices of:

	<u>6 month</u>	<u>3 months</u>	<u>1 month</u>
	ROE	ROE	ROE
	Adj. Yield	Adj. Yield	Adj. Yield
	plus	plus	plus
	<u>Growth Rate</u>	<u>Growth Rate</u>	<u>Growth Rate</u>
1 CH Energy Group	7.88%	8.05%	8.08%
2 Cleco Corp.	16.70%	16.75%	16.88%
3 DPL Inc.	13.24%	13.17%	13.18%
4 NSTAR	11.63%	11.89%	11.78%
5 PG&E Corp.	11.39%	11.39%	11.51%
6 Pinnacle West Capital	12.00%	12.70%	12.48%
7 Portland General	12.37%	12.56%	12.30%
8 TECO Holding Corp.	15.11%	15.39%	14.88%
9 UIL Holdings	11.58%	12.44%	12.25%
10 Westar Energy	10.85%	11.25%	11.12%
11 Wisconsin Energy	11.87%	11.99%	12.06%
Single State Regulation			
average	12.24%	12.51%	12.41%
median	11.87%	12.44%	12.25%
minimum	7.88%	8.05%	8.08%
maximum	16.70%	16.75%	16.88%
mid-point	12.29%	12.40%	12.48%
standard deviation	2.28%	2.24%	2.20%
count	11	11	11

Institutional Investor - PSNH Proxy  
Multi-State Regulated

Based on Average Stock Prices of:

	<u>6 months</u>	<u>3 months</u>	<u>1 month</u>
	<u>ROE</u>	<u>ROE</u>	<u>ROE</u>
	<u>Adj. Yield</u>	<u>Adj. Yield</u>	<u>Adj. Yield</u>
	<u>plus</u>	<u>plus</u>	<u>plus</u>
	<u>Growth Rate</u>	<u>Growth Rate</u>	<u>Growth Rate</u>
1 ALLETE	10.35%	10.91%	10.74%
2 Alliant Energy	11.75%	12.33%	12.28%
3 Amer. Elec. Power	10.11%	10.71%	10.75%
4 Avista Corp.	10.78%	11.35%	10.99%
5 Consol. Edison	8.86%	9.05%	9.18%
6 DTE Energy Company	11.31%	11.95%	11.43%
7 Empire Dist Elec.	16.00%	16.66%	16.10%
8 IDACORP, Inc.	9.80%	10.32%	10.29%
9 Northeast Utilities	12.28%	12.54%	12.55%
10 Northerstern Corporation	16.13%	16.35%	16.18%
11 Progress Energy	12.48%	12.85%	12.78%
12 Southern Co.	10.83%	11.33%	11.48%
13 Xcel Energy Inc.	<u>11.77%</u>	<u>11.82%</u>	<u>11.85%</u>

PSNH Proxy Group - Mutil State Regulation

average	11.73%	12.17%	12.05%
median	11.31%	11.82%	11.48%
minimum	8.86%	9.05%	9.18%
maximum	16.13%	16.66%	16.18%
mid-point	12.50%	12.85%	12.68%
standard deviation	2.18%	2.17%	2.06%
count	13	13	13

FERC New England Proxy Based on Average Stock Prices of:			
	6 month	3 month	1 month
	ROE	ROE	ROE
	Adj Yield	Adj Yield	Adj Yield
	plus	plus	plus
	<u>Growth Rate</u>	<u>Growth Rate</u>	<u>Growth Rate</u>
1 Allegheny Energy	16.11%	16.45%	16.27%
2 Amer. Elec. Power	10.11%	10.71%	10.75%
3 Consol. Edison	8.86%	9.05%	9.18%
4 Constellation Energy	18.78%	19.41%	18.34%
5 Dominion Resources	12.11%	12.47%	12.29%
6 DPL Inc.	13.24%	13.17%	13.18%
7 Exelon Corp.	10.71%	11.05%	10.82%
8 FirstEnergy Corp.	11.61%	12.30%	12.30%
9 FPL Group	13.69%	13.59%	13.31%
10 Northeast Utilities	12.28%	12.54%	12.55%
11 NSTAR	11.63%	11.89%	11.78%
12 Pepco Holdings	11.06%	12.49%	12.48%
13 PPL Corp.	16.38%	16.54%	16.16%
14 Public Serv. Enterprise	11.74%	11.80%	11.48%
15 UIL Holdings	11.58%	12.44%	12.25%
FERC New England Proxy			
average	12.66%	13.06%	12.88%
median	11.74%	12.47%	12.30%
minimum	8.86%	9.05%	9.18%
maximum	18.78%	19.41%	18.34%
mid-point	13.82%	14.23%	13.76%
standard deviation	2.63%	2.60%	2.38%
count	15	15	15

Source of proxy group: FERC ER08-1548 Avera testimony Exhibit NU/NG-608

Acceptance Criterion  
Return on Equity Institutional Investor Proxy Group  
Based on Average Stock Prices of:

	<u>Six Month Price</u>		<u>Three Month Price</u>		<u>One Month Price</u>	
	<u>ROE</u>	<u>Accept</u>	<u>ROE</u>	<u>Accept</u>	<u>ROE</u>	<u>Accept</u>
1 ALLETE	10.35%	10.35%	10.91%	10.91%	10.74%	10.74%
2 Alliant Energy Corporation	11.75%	11.75%	12.33%	12.33%	12.28%	12.28%
3 Amer. Elec. Power	10.11%	-	10.71%	10.71%	10.75%	10.75%
4 Avista Corp.	10.78%	10.78%	11.35%	11.35%	10.99%	10.99%
5 CH Energy Group	7.88%	-	8.05%	-	8.08%	8.08%
6 Cleco Corp.	16.70%	-	16.75%	-	16.88%	-
7 Consol. Edison	8.86%	-	9.05%	-	9.18%	9.18%
8 DPL Inc.	13.24%	13.24%	13.17%	13.17%	13.18%	13.18%
9 DTE Energy Company	11.31%	11.31%	11.95%	11.95%	11.43%	11.43%
10 Empire Dist. Elec.	16.00%	-	16.66%	-	16.10%	-
11 IDACORP, Inc.	9.80%	-	10.32%	10.32%	10.29%	10.29%
12 Northeast Utilities	12.28%	12.28%	12.54%	12.54%	12.55%	12.55%
13 Northwestern Corporation	16.13%	-	16.35%	-	16.18%	-
14 NSTAR	11.63%	11.63%	11.89%	11.89%	11.78%	11.78%
15 PG&E Corp.	11.39%	11.39%	11.39%	11.39%	11.51%	11.51%
16 Pinnacle West Capital	12.00%	12.00%	12.70%	12.70%	12.48%	12.48%
17 Portland General	12.37%	12.37%	12.56%	12.56%	12.30%	12.30%
18 Progress Energy	12.48%	12.48%	12.85%	12.85%	12.78%	12.78%
19 Southern Co.	10.83%	10.83%	11.33%	11.33%	11.48%	11.48%
20 TECO Holding Corp.	15.11%	-	15.39%	-	14.88%	-
21 UIL Holding	11.58%	11.58%	12.44%	12.44%	12.25%	12.25%
22 Westar Energy	10.85%	10.85%	11.25%	11.25%	11.12%	11.12%
23 Wisconsin Energy	11.87%	11.87%	11.99%	11.99%	12.06%	12.06%
24 Xcel Energy Inc.	11.77%	11.77%	11.82%	11.82%	11.85%	11.85%
Per-acceptance average	11.96%		12.32%		12.21%	
Post-acceptance average		<u>11.66%</u>		<u>11.86%</u>		<u>11.45%</u>
ROE over Long-Term Debt		3.40%		3.57%		3.39%

**Acceptance Criteria:****Accept if greater than:**

Moody's Baa bond yields

plus half the Proxy Expected Equity Risk Premium

09-May	8.06%
09-Apr	8.39%
09-Mar	8.42%
09-Feb	8.08%
09-Jan	8.14%
08-Dec	8.43%

(source: Federal Reserve H15)

9 month avg.	8.32%
6 month avg.	8.25%
3 month avg.	8.29%
1 month	8.06%

10.18%

10.22%

9.99%

**Reject if greater than:**

Historical (1926-2008) Equity Risk Premium

Equity Return on all Stocks 11.70%

Return on Corporate Bonds 6.20%

Equity Risk Premium 5.50%

PSNH Proxy Group Beta 0.7

Proxy Expected Equity Risk Premium 3.85%

half of Proxy Expected Equity Risk Premium

1.93%

Baa yield plus 3.85% plus

plus half of the Proxy Expected Equity Risk Premium

14.03%

14.07%

13.84%

## Detail On The Northeast Utilities March 20, 2009 Common Stock Sale

<u>Share Price</u>	<u>Number of Share</u>	<u>Gross Proceeds</u>	<u>Expenses</u>	<u>Net Proceeds</u>	<u>Net Price</u>
\$20.20	18,975,000	\$383,295,000	\$12,564,402	\$370,730,598	\$19.54
Expenses:					
underwriter		\$12,457,088			
transfer agent		5,000			
legal		30,000			
printing		24,667			
auditors		30,000			
NYSE		<u>17,647</u>			
		\$12,564,402			
per share \$		0.6622			
or per share %		3.28%			

Adjustment to Return For Issuance Costs

	Average Proxy Dividend	Average Proxy Growth Rate	Adjusted Dividend	Average Proxy Price	Net Proceeds	Yield	ROE	Difference
initial	\$1.49	5.965%	1.58	\$27.36	\$27.36	5.7738%	11.739%	
adjusted	\$1.49	5.965%	1.58	\$27.36	\$26.47	5.9695%	11.935%	
								0.20%

Adjusted Dividend = Average Dividend x (1 + Average Growth Rate)

$$1.49 \times (1 + 5.965) = 1.58$$

Adjustment for Issuance Costs:

Average 6 month PSNH Proxy Group stock price      \$27.36

Issuance cost:

- as a percent (Appendix DCF 8.0)      3.28%

- as dollars (average stock x issuance percent)      \$0.90

Net Proceeds = Average Stock Price - Issuance Expense

$$\$27.36 - .90 = 26.47$$

Yield = Adjusted Dividend / Net Proceeds

$$1.58 / 27.36 = 5.7738$$

$$1.58 / 26.47 = 5.9695$$

ROE = Yield plus Growth Rate

$$5.7738 + 5.965 = 11.739$$

$$5.9695 + 5.965 = 11.935$$

Note: this example uses the average proxy stock price, average dividend and the average growth rate, in Appendix DCF each company's ROE is calculated separately. The difference is due to cumulative company rounding.





Attachment GJE - 4 Capital Asset Pricing Model

BETA

In Appendix CAPM – 2.0 and in the table below, I have presented the average betas for my twelve DCF proxy groups. The detail for each proxy group is provided in Appendix CAPM – 2.1. The following table shows that a range of .74 to .67 is appropriate for PSNH.

	<u>Average Beta</u>
1 All Value Line Electric Utilities	0.74
2 Value Line - East	0.74
3 Value Line - Central	0.71
4 Value Line - West	0.73
5 All EEI Electric Utilities	0.74
6 EEI - Regulated	0.70
7 EEI - Mostly Regulated	0.76
8 EEI - Diversified	0.85
9 Institutional Investor - PSNH Proxy	0.67
10 Single-State Regulation	0.66
11 Multi-State Regulation	0.68
12 FERC New England Proxy	0.74

Value Line calculates their betas using the data from NY Stock Exchange Composite index<sup>1</sup> as a proxy for the whole market because such data is readily available. However, the theory on which the CAPM is based requires a market portfolio of all assets: stocks, bonds, commodities, real estate, etc. Since the beta computed with a proxy of the market will measure risk relative to the particular market portfolio, missing assets can be a source of estimation error. Research has shown that missing assets can be a source of error in estimating beta for a utility

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<sup>1</sup> R.A. Morin, Ph.D, New Regulatory Finance (2006) at page 71.

regulated on a book-value basis, resulting in an underestimate of the utility betas.<sup>2</sup> For this reason, when using the CAPM for utilities, it is often appropriate to use a higher beta than the one developed from a market portfolio that excludes bonds. Accordingly, my beta of .70 may understate the true beta.

### MARKET RISK PREMIUM

The current dividend yield on the S&P 500 is 3.42 percent. Using I/B/E/S consensus growth rates and current market weightings, I developed a long-term growth rate of 9.74 percent for the S&P 500 using equity analysts' long-term earnings estimates for each of the companies in the S&P 500.<sup>3</sup> The calculation of the 9.74 percent S&P long-term growth rate is provided in Appendix – CAPM - 3.1. The calculation of the DCF expected total return on the S&P 500 is in Appendix – CAPM - 3.0 and summarized below.

<u>Expected S&amp;P 500 Market Return</u>	
Dividend Yield	3.42%
Long-Term Growth Rate	9.74%
Adjusted Dividend Yield	<u>3.75%</u>
Expected Long-term Market Return	13.49%
Adjusted Dividend Yield = Dividend Yield x (1 + LT GR)	
Market Return = Adj Div Yield + LT GR	

In the table below the market risk premium of 9.49 percent is calculated.

Expected Long-term Market Return	13.49%
Less: 30 year Treasury Yield	<u>4.00%</u>
Market Risk Premium	9.49%

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<sup>2</sup> A study conducted in 1984 by L. Kolbe and J. Read, entitled "Choice of Discount Rates in Utility Planning: A Critique of Conventional Betas as Risk Indicators for Electric Utilities", found that, by adding bonds to the market portfolio the cost of equity for regulated utilities increased by 48 to 290 basis points.

<sup>3</sup> Barclays Capital provided assistance in developing the long-term growth rate.

## ECAPM

The ECAPM formula adjusts the CAPM with an Alpha (“ $\alpha$ ”) as the empirical adjustment factor:

$$K_e = R_f + \alpha + \text{Beta} ((R_m - R_f) - \alpha)$$

When using a 30-year Treasury for the risk-free rate, the appropriate value for Alpha is in the .5 to 1.5 percent range.<sup>4</sup> I have listed the research and their recommended Alpha adjustments in Appendix – CAPM - 5.0. I have used the low end Alpha of 0.50. The calculation CAPM – Alpha Adjustment is in Appendix CAPM - 5.1. As expected, the ECAPM ROE of 10.79 percent is slightly higher than the Traditional CAPM.

$$\begin{array}{rclclclclcl} \text{ECAPM} & = & (30 \text{ yr Treasury} & + & \text{Alpha}) & + & [\text{Beta} \times (\text{Risk Premium} & - & \text{Alpha})] \\ 10.79\% & & 4.00\% & + & 0.50\% & & 0.70 & \times & 9.49\% & - & 0.50\% \end{array}$$

## SIZE ADJUSTMENT

One of the discoveries of modern finance is that of a relationship between firm size and return.<sup>5</sup> The relationship cuts across the entire spectrum of size but is most evident among smaller companies.<sup>6</sup> For that reason, Dr. Ibbotson, a leading expert in the field, recommends that the CAPM be modified to adjust for firm size:

One of the important characteristics not necessarily captured by the Capital Asset Pricing Model is what is known as the size effect... The need for this premium when using the CAPM arises because, even after adjusting for the systematic (beta) risk of the small stocks, they outperform large stocks. The betas for small companies tend

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<sup>4</sup> Research supports values for Alpha from one to seven percent when using the short-term risk-free interest rate. The use of the long-term risk-free rate version incorporates some of the desired effect of using a higher intercept and a flatter slope than the short-term risk free version, which has been extensively tested. The use of a long-term risk free rate requires less adjustment.

<sup>5</sup> The most referenced financial research validating that smaller firms are more risky than larger firms are: E.F. Fama and K R. French “The Cross-Section of Expected Stock Returns,” The Journal of Finance (June 1992); G. E. Pinches, J. C. Singleton, and A. Jahankhani, “Fixed Coverage as a Determinate of Electric Utility Bond Ratings,” financial Management (Summer 1978)

<sup>6</sup> The 2007 Morningstar/ Ibbotson Yearbook provided equity returns by industry classifications, known as SIC codes; PSNH is in SIC Code 49, Electric, and Gas & Sanitary Services. For the period 1926 – 2006, the average annual return for large utilities was 11.0%; the average annual return on small utilities was 14.2%.

to be greater than those for large companies; however, these higher betas do not account for all of the risks faced by those who invest in small companies. This premium can be added directly to the results obtained using the CAPM...<sup>7</sup>

Because PSNH is not publicly traded, I have used the market capitalization of its parent, NU.

Because NU is much larger than PSNH, I have unquestionably greatly understated the size premium.<sup>8</sup> In Appendix CAPM - 6.0, I provide a breakdown of the size premium by capitalization. A size premium of (at least) 0.74 basis point should be added to the CAPM result.<sup>9</sup>

### ISSUANCE COSTS

On March 20, 2009, NU sold common stock in a public offering. Investors paid \$20.20 a shares but after paying expenses of \$.6622 per share, NU received only \$19.54 to invest in its operating subsidiaries. Because of issuance costs (flotation costs), NU must earn a higher return on the net proceeds to earn the investors required return. The following summary is taken from Appendix CAPM - 7.0.

Investor paid:	\$20.20		
investor required %		10.50%	11.00%
investor required return \$		\$2.12	\$2.22
Company proceeds of only:	\$19.54		
requires an annual return of		10.86%	11.37%
difference		0.36%	0.37%

<sup>7</sup> Stock, Bonds, Bills and Inflation Morningstar 2009 Yearbook, page 46.

<sup>8</sup>

NU shares outstanding on June 1, 2009	175,130,000
52 week trading range	\$17.16 - \$28.20
Market Capitalization (price x shares outstanding)	
low price	\$3,005,230,800
high price	\$4,938,666,000
average	\$3,971,948,400

<sup>9</sup>

<u>Dociles</u>	<u>Market Capitalization (in millions) of</u>		<u>Size Premium</u>
	<u>smallest company</u>	<u>largest company</u>	<u>(Return in Excess of CAPM)</u>
2	7,434,806	18,503,467	0.62
3	4,229,323	7,360,271	0.74
4	2,785,698	4,225,152	0.97

## Appendix CAPM -1.0

### 30 yr Tresuary bond yield

Historical				
	<u>12 months</u>	<u>9 months</u>	<u>6 months</u>	<u>5 months</u>
May-09	4.23%	4.23%	4.23%	4.23%
Apr-09	3.76%	3.76%	3.76%	3.76%
Mar-09	3.64%	3.64%	3.64%	3.64%
Feb-09	3.59%	3.59%	3.59%	3.59%
Jan-09	3.13%	3.13%	3.13%	3.13%
Dec-08	2.87%	2.87%	2.87%	
Nov-08	4.00%	4.00%		
Oct-08	4.17%	4.17%		
Sep-08	4.27%	4.27%		
Aug-08	4.50%			
Jul-08	4.57%			
Jun-08	4.50%			
	3.94%	3.74%	3.54%	3.67%

Source:

[www.federalreserve.gov/release/h15](http://www.federalreserve.gov/release/h15)

H15 Selected Interest Rates

Forecast	
	<u>30 yr</u>
2009	3.78%
2010	3.89%
2011	4.30%
2012	4.91%
2013	5.21%
2014	<u>5.84%</u>
	4.65%

Source:

Global Insight May, 2009 page19

## Appendix CAPM 2.0

	Average Beta
1 All Value Line Electric Utilities	0.74
2 Value Line - East	0.74
3 Value Line - Central	0.71
4 Value Line - West	0.73
5 All EEI Electric Utilities	0.74
6 EEI - Regulated	0.70
7 EEI - Mostly Regulated	0.76
8 EEI - Diversified	0.85
9 Institutional Investor - PSNH Proxy	0.67
10 Single-State Regulation	0.66
11 Multi-State Regulation	0.68
12 FERC New England Proxy	0.74

		Average Proxy Beta										
		Value Line			Edison Electric Institute				PSNH Proxy	State Regulation		New England
		West	Central	East	All	Regulated	Mostly Reg	Diversified		Single	Multi	
1	Allegheny Energy	1.00		1.00	1.00			1.00				1.00
2	ALLETE	0.65		0.65	0.65	0.65			0.65		0.65	
3	Alliant Energy	0.65		0.65	0.65	0.65			0.65		0.65	
4	Ameren Corp.	0.75		0.75	0.75	0.75						
5	Amer. Elec. Power	0.70		0.70	0.70	0.70			0.70		0.70	0.70
6	Avista Corp.	0.70	0.70		0.70	0.70			0.70		0.70	0.70
7	Black Hills	0.80	0.80		0.80			0.80				
8	CenterPoint Energy	0.80			0.80		0.80					
9	Cen. Vermont Pub. Serv.	0.80		0.80	0.80	0.80						
10	CH Energy Group	0.65		0.65	0.65	0.65			0.65	0.65		
11	Cleco Corp.	0.75			0.75	0.75			0.75	0.75		
12	CMS Energy Corp.	0.85			0.85	0.85						
13	Consol. Edison	0.65		0.65	0.65	0.65			0.65		0.65	0.65
14	Constellation Energy	0.80		0.80	0.80			0.80				
15	Dominion Resources	0.70		0.70	0.70		0.70					0.70
16	DPL Inc.	0.60	0.60		0.60	0.60			0.60	0.60		0.60
17	DTE Energy	0.65		0.65	0.65		0.65		0.65		0.65	
18	Duke Energy	0.65		0.65	0.65		0.65					
19	Edison Int'l	0.80	0.80		0.80		0.80					
20	El Paso Electric	0.80	0.80		0.80	0.80						
21	Empire Dist. Elec.	0.70		0.70	0.70	0.70			0.70		0.70	
22	Entergy Corp.	0.70		0.70	0.70		0.70					
23	Exelon Corp.	0.85		0.85	0.85		0.85					0.85
24	FirstEnergy Corp.	0.85		0.85	0.85		0.85					0.85
25	FPL Group	0.75		0.75	0.75		0.75					0.75
26	Gt Plains Energy	0.65		0.65	0.65	0.65						
27	Hawaiian Elec.	0.60	0.60		0.60			0.60				
28	IDACORP, Inc.	0.70	0.70		0.70	0.70			0.70		0.70	
29	Integrus Energy	0.70		0.70	0.70		0.70					
30	ITC Holdings	0.85		0.85	0.85							
31	MDU Resources	1.00			1.00			1.00				
32	MGE Energy	0.65		0.65	0.65	0.65						
33	NiSource Inc.	0.80			0.80		0.80					
34	Northeast Utilities	0.70		0.70	0.70	0.70			0.70		0.70	0.70
35	Northwestern Energy	-			-	-			-			
36	NSTAR	0.65		0.65	0.65	0.65			0.65	0.65		0.65
37	OGE Energy	0.75		0.75	0.75		0.75					
38	Otter Tail Corp.	0.90		0.90	0.90		0.90					
39	Pepco Holdings	0.80		0.80	0.80		0.80					0.80
40	PG&E Corp.	0.60	0.60		0.60	0.60			0.60	0.60		
41	Pinnacle West Capital	0.70	0.70		0.70	0.70			0.70	0.70		
42	PNM Resources	0.85	0.85		0.85	0.85						
43	Portland General	0.70	0.70		0.70	0.70			0.70	0.70		
44	PPL Corp.	0.70		0.70	0.70		0.70					0.70
45	Progress Energy	0.65		0.65	0.65	0.65			0.65		0.65	
46	Public Serv. Enterprise	0.80		0.80	0.80		0.80					0.80
47	SCANA Corp.	0.70		0.70	0.70		0.70					
48	Sempra Energy	0.90	0.90		0.90			0.90				
49	NV Energy, Inc.	0.90			0.90	0.90						
50	Southern Co.	0.55		0.55	0.55	0.55			0.55	0.55		
51	TECO Energy	0.80		0.80	0.80	0.80			0.80		0.80	
52	UIL Holdings	0.70		0.70	0.70	0.70			0.70	0.70		0.70
53	UniSource Energy	0.70	0.70		0.70	0.70						
54	Vectren Corp.	0.75		0.75	0.75	0.75						
55	Westar Energy	0.75		0.75	0.75	0.75			0.75	0.75		
56	Wisconsin Energy	0.65		0.65	0.65	0.65			0.65	0.65		
57	Xcel Energy Inc.	0.65	0.65		0.65	0.65			0.65		0.65	
average		0.74	0.73	0.71	0.74	0.70	0.76	0.85	0.67	0.66	0.68	0.74
median		0.70	0.70	0.70	0.70	0.70	0.75	0.85	0.65	0.65	0.68	0.70
minimum		0.55	0.60	0.60	0.55	0.55	0.65	0.60	0.55	0.55	0.65	0.60
maximum		1.00	0.90	0.90	1.00	1.00	0.90	1.00	0.80	0.75	0.80	1.00
mid-point		0.78	0.75	0.75	0.78	0.78	0.73	0.78	0.80	0.68	0.73	0.80
standard deviation		0.14	0.09	0.08	0.10	0.14	0.15	0.07	0.15	0.06	0.04	0.10
count		56	13	17	20	56	32	17	6	23	11	12

Source: Value Line Beta

East May 29, 2009

Central March 2009

West May 8, 2009



## Appendix CAPM - 3.0

### Expected S&P 500 Market Return

Dividend Yield <sup>1</sup>	3.42%
Long-Term Growth Rate	9.74%
Adjusted Dividend Yield	<u>3.75%</u>
Expected Long-term Market Return	13.49%

Adjusted Dividend Yield = Dividend Yield x (1 + LT GR)

Market Return = Adj Div Yield + LT GR

#### 1. HISTORICAL YIELD

From December 1936 through March 2009 the average dividend yield for the S&P 500 was 3.814% vs. 3.815% for December 2008.

The current 12-month dividend yield is 3.42% vs. the 3.14 yield for December 2008. The yield is based on the cash dividends paid over the prior four quarters and the closing quarterly price.

Source; [www2.standardandpoors.com](http://www2.standardandpoors.com)

Select: Indices; Equity Indices; S&P U.S. Indices;

S&P 500; Dividends

04/28/2009

Calculation of the S&P growth Rate				
I/B/E/S				
Constituents	LT EPS Growth	Market Cap	Weight	Weighted Growth
CTAS	10.8%	3,960	0.051%	0.0055%
HAR	16.0%	1,130	0.015%	0.0023%
SLE	6.0%	5,676	0.073%	0.0044%
SCG	5.2%	3,683	0.047%	0.0025%
LLL	8.7%	8,947	0.115%	0.0100%
UTX	9.0%	45,189	0.581%	0.0523%
WEC	8.9%	4,630	0.060%	0.0053%
AES	14.2%	4,384	0.056%	0.0080%
COP	7.0%	61,956	0.796%	0.0558%
ED	2.9%	10,319	0.133%	0.0038%
FO	12.0%	5,697	0.073%	0.0088%
LMT	10.9%	29,995	0.386%	0.0421%
ODP	11.8%	775	0.010%	0.0012%
MWW	20.4%	1,510	0.019%	0.0040%
MBI	10.0%	949	0.012%	0.0012%
WAG	12.0%	29,751	0.382%	0.0459%
MAT	9.0%	5,324	0.068%	0.0062%
ADSK	7.0%	4,234	0.054%	0.0038%
VNO	NA	7,396	0.095%	NA
DHR	11.4%	18,328	0.236%	0.0268%
ADI	15.0%	5,985	0.077%	0.0115%
BSX	12.8%	12,123	0.156%	0.0199%
KEY	5.3%	3,026	0.039%	0.0021%
FCX	6.0%	15,758	0.203%	0.0122%
SYMC	10.8%	13,932	0.179%	0.0194%
SO	5.4%	23,509	0.302%	0.0162%
XLNX	13.2%	5,466	0.070%	0.0093%
MSFT	10.2%	177,371	2.280%	0.2320%
HCBK	13.8%	6,469	0.083%	0.0115%
NBL	7.3%	10,079	0.130%	0.0094%
AGN	13.5%	14,185	0.182%	0.0246%
MOT	9.3%	13,229	0.170%	0.0157%
EFX	9.8%	3,606	0.046%	0.0045%
PHM	11.7%	2,974	0.038%	0.0045%
MAR	3.3%	7,309	0.094%	0.0031%
COL	12.3%	5,897	0.076%	0.0094%
IP	7.0%	4,495	0.058%	0.0040%
LSI	6.3%	2,433	0.031%	0.0020%
WPO	NA	3,914	0.050%	NA
UNH	9.7%	28,222	0.363%	0.0352%
MCO	12.0%	6,466	0.083%	0.0100%
CHK	8.3%	12,415	0.160%	0.0133%
JWN	10.1%	4,661	0.060%	0.0060%
GFS	9.5%	10,380	0.133%	0.0127%
LEG	15.2%	2,227	0.029%	0.0043%
JPM	8.0%	123,215	1.584%	0.1267%
STJ	12.9%	11,961	0.154%	0.0199%
ITW	3.1%	16,232	0.209%	0.0065%
KO	7.4%	97,751	1.257%	0.0930%
VMC	9.0%	5,602	0.072%	0.0065%
MKC	10.0%	3,768	0.048%	0.0048%
LXK	7.5%	1,447	0.019%	0.0014%
SBUX	16.3%	9,917	0.127%	0.0208%
HON	10.3%	21,891	0.281%	0.0288%
DF	11.0%	3,053	0.039%	0.0043%
GLW	13.5%	22,755	0.293%	0.0395%
BAX	12.0%	30,218	0.388%	0.0467%
QLGC	10.4%	1,620	0.021%	0.0022%
HAL	(1.3%)	17,617	0.226%	-0.0029%
CLX	9.7%	7,738	0.099%	0.0096%
SGP	7.7%	36,142	0.465%	0.0356%
PCG	7.1%	13,842	0.178%	0.0126%
FLR	12.5%	7,005	0.090%	0.0113%
FITB	5.0%	2,135	0.027%	0.0014%
PX	10.2%	21,956	0.282%	0.0287%
CAH	9.2%	12,066	0.155%	0.0143%
LNC	11.6%	2,496	0.032%	0.0037%
HRS	12.8%	3,958	0.051%	0.0065%
BAC	6.0%	52,168	0.671%	0.0402%
CCE	6.1%	7,757	0.100%	0.0061%
FPL	9.7%	22,293	0.287%	0.0279%
APH	21.5%	5,647	0.073%	0.0156%
CTL	3.9%	2,679	0.034%	0.0014%
DVN	5.8%	22,634	0.291%	0.0169%
AIG	13.5%	3,606	0.046%	0.0063%
LLY	5.2%	38,147	0.490%	0.0255%
COH	13.0%	7,538	0.097%	0.0126%
MCK	10.6%	9,984	0.128%	0.0135%
FLIR	19.2%	3,083	0.040%	0.0076%
NEM	13.8%	19,582	0.252%	0.0347%
COST	12.3%	20,430	0.263%	0.0322%
MS	12.0%	22,800	0.293%	0.0352%
SNDK	16.3%	3,362	0.043%	0.0070%
ALL	6.5%	11,929	0.153%	0.0100%
GM	NA	1,105	0.014%	NA
FISV	12.6%	5,618	0.072%	0.0091%
KIM	2.0%	2,928	0.038%	0.0008%
LH	13.2%	6,834	0.088%	0.0116%
FII	9.0%	2,343	0.030%	0.0027%
TJX	12.3%	11,551	0.148%	0.0182%
BMJ	6.8%	38,924	0.500%	0.0342%
WAT	11.7%	4,226	0.054%	0.0064%
WFC	10.8%	83,012	1.067%	0.1147%

04/28/2009

Calculation of the S&P growth Rate				
I/B/E/S				
Constituents	LT EPS Growth	Market Cap	Weight	Weighted Growth
MON	15.5%	44,206	0.568%	0.0881%
AMT	24.6%	12,922	0.166%	0.0409%
HSY	5.7%	8,163	0.105%	0.0059%
SUN	0.0%	3,148	0.040%	0.0000%
KSS	13.7%	13,353	0.172%	0.0235%
CVG	12.2%	1,185	0.015%	0.0019%
NSM	10.2%	2,703	0.035%	0.0035%
VRSN	14.9%	3,664	0.047%	0.0070%
JLTC	14.7%	4,843	0.062%	0.0092%
SWK	7.7%	2,908	0.037%	0.0029%
COF	10.3%	6,354	0.082%	0.0084%
WYE	3.5%	56,252	0.723%	0.0252%
WPI	14.0%	3,227	0.041%	0.0058%
PGR	6.9%	10,510	0.135%	0.0093%
JNJ	7.9%	140,181	1.802%	0.1431%
SPLS	14.8%	15,205	0.195%	0.0289%
SH	NA	5,470	0.070%	NA
R	4.0%	1,416	0.018%	0.0007%
BEN	9.0%	13,530	0.174%	0.0157%
GD	9.0%	19,539	0.251%	0.0226%
CELG	28.4%	19,212	0.247%	0.0702%
WMB	10.0%	7,622	0.098%	0.0098%
ETR	9.4%	12,178	0.157%	0.0147%
QCOM	11.8%	69,823	0.898%	0.1055%
FDX	5.8%	16,599	0.213%	0.0124%
APD	7.3%	13,192	0.170%	0.0124%
NU	7.4%	3,219	0.041%	0.0031%
PXD	9.2%	2,576	0.033%	0.0030%
AVP	12.0%	9,296	0.120%	0.0143%
TER	18.0%	887	0.011%	0.0021%
OI	7.7%	3,002	0.039%	0.0030%
GR	11.9%	5,282	0.068%	0.0081%
VZ	3.9%	87,957	1.131%	0.0438%
LM	6.0%	2,601	0.033%	0.0020%
SRE	7.8%	11,061	0.142%	0.0111%
FRX	3.7%	6,461	0.083%	0.0030%
AIV	3.0%	806	0.010%	0.0003%
MMM	10.3%	39,267	0.505%	0.0520%
CVX	9.0%	132,283	1.701%	0.1531%
BBBY	12.2%	7,854	0.101%	0.0123%
KBH	10.5%	1,596	0.021%	0.0022%
AKS	NA	1,281	0.016%	NA
SRCL	18.8%	4,204	0.054%	0.0101%
BXP	12.0%	5,665	0.073%	0.0087%
RSH	8.4%	1,706	0.022%	0.0018%
SY	12.0%	13,210	0.170%	0.0204%
USB	6.6%	31,099	0.400%	0.0264%
EXPD	14.9%	6,905	0.089%	0.0132%
ALTR	15.0%	4,601	0.059%	0.0089%
PPL	12.3%	11,175	0.144%	0.0177%
PGN	5.5%	9,579	0.123%	0.0068%
DNR	16.0%	4,001	0.051%	0.0082%
CINF	NA	3,936	0.051%	NA
TXF	11.6%	2,727	0.035%	0.0040%
CB	7.1%	14,052	0.181%	0.0128%
WFR	15.4%	3,285	0.042%	0.0065%
AEF	4.0%	4,770	0.061%	0.0025%
ETN	7.3%	6,961	0.089%	0.0065%
BMS	7.7%	2,336	0.030%	0.0023%
HOG	9.5%	4,594	0.059%	0.0056%
ADP	11.7%	17,499	0.225%	0.0262%
BHB	11.6%	13,657	0.176%	0.0204%
KG	5.6%	2,002	0.026%	0.0014%
JCI	13.0%	10,648	0.137%	0.0178%
RX	8.8%	2,183	0.028%	0.0025%
RTN	11.7%	17,702	0.228%	0.0267%
BIG	16.0%	2,217	0.029%	0.0046%
DD	4.1%	24,858	0.320%	0.0130%
TSN	10.0%	3,817	0.049%	0.0049%
SIAL	9.2%	5,109	0.066%	0.0060%
RHI	12.7%	3,454	0.044%	0.0056%
GILD	17.3%	43,323	0.557%	0.0962%
TLAB	8.3%	2,046	0.026%	0.0022%
MUR	16.0%	8,813	0.113%	0.0181%
XRX	NA	4,929	0.063%	NA
FTR	1.3%	2,195	0.028%	0.0004%
PCP	11.7%	9,945	0.128%	0.0149%
CMA	5.0%	3,050	0.039%	0.0020%
JNPR	18.0%	10,911	0.140%	0.0252%
LEN	8.7%	1,582	0.020%	0.0018%
MYL	15.0%	4,424	0.057%	0.0085%
TWC	5.2%	10,282	0.132%	0.0069%
TIF	10.8%	3,470	0.045%	0.0048%
MRK	2.9%	48,836	0.628%	0.0185%
AKAM	11.5%	3,385	0.044%	0.0050%
IBM	9.8%	134,703	1.732%	0.1703%
BBT	7.3%	12,540	0.161%	0.0117%
NVLS	14.0%	1,748	0.022%	0.0031%
NOV	NA	12,368	0.159%	NA
DOV	15.3%	5,536	0.071%	0.0109%
DTE	6.0%	4,591	0.059%	0.0035%
YUM	11.8%	15,580	0.200%	0.0237%
AMGN	11.7%	50,995	0.656%	0.0770%
APOL	15.9%	9,897	0.127%	0.0202%
PG	9.5%	145,633	1.872%	0.1779%
GE	8.7%	126,725	1.629%	0.1412%
UNM	10.0%	5,067	0.065%	0.0065%
PLL	14.0%	2,962	0.038%	0.0053%
HAS	9.0%	3,874	0.050%	0.0045%
NSC	6.8%	12,762	0.164%	0.0111%

04/28/2009

Calculation of the S&P growth Rate				
I/B/E/S				
Constituents	LT EPS Growth	Market Cap	Weight	Weighted Growth
SCHW	14.7%	20,364	0.262%	0.0384%
LUK	NA	4,763	0.061%	NA
SEE	8.4%	2,782	0.036%	0.0030%
GENZ	18.4%	14,710	0.189%	0.0348%
ETFC	NA	1,407	0.018%	NA
CCL	15.0%	21,443	0.276%	0.0413%
AET	11.4%	10,928	0.140%	0.0160%
XL	8.7%	2,833	0.036%	0.0032%
TXN	9.2%	21,649	0.278%	0.0255%
GPC	5.2%	5,429	0.070%	0.0036%
AMZN	21.2%	35,403	0.455%	0.0965%
HIG	10.0%	3,173	0.041%	0.0041%
GS	10.5%	55,767	0.717%	0.0753%
TE	8.7%	2,259	0.029%	0.0023%
ATI	(1.5%)	2,928	0.038%	-0.0005%
BA	8.2%	28,213	0.363%	0.0296%
CL	11.0%	29,507	0.379%	0.0417%
PCL	2.5%	5,542	0.071%	0.0018%
GWV	11.2%	5,966	0.077%	0.0086%
BHI	NA	10,483	0.135%	NA
SNA	11.3%	1,850	0.024%	0.0027%
HCN	16.0%	3,854	0.050%	0.0079%
GCI	NA	785	0.010%	NA
EK	NA	1,006	0.013%	NA
BRCM	13.9%	11,383	0.146%	0.0203%
XOM	8.3%	330,230	4.245%	0.3538%
HST	NA	3,746	0.048%	NA
CPB	6.6%	8,931	0.115%	0.0076%
AVY	7.0%	2,943	0.038%	0.0026%
HBAN	4.0%	1,086	0.014%	0.0006%
MMC	10.0%	10,394	0.134%	0.0134%
MAS	15.0%	3,019	0.039%	0.0058%
CTSH	18.4%	6,828	0.088%	0.0162%
ORLY	16.2%	5,221	0.067%	0.0109%
SLB	1.8%	57,458	0.739%	0.0133%
JNS	12.3%	1,500	0.019%	0.0024%
AOC	9.5%	11,204	0.144%	0.0137%
NVDA	11.5%	6,018	0.077%	0.0089%
XTO	11.4%	19,988	0.257%	0.0293%
CNX	29.0%	5,309	0.068%	0.0198%
PEG	7.0%	14,315	0.184%	0.0129%
ACS	11.6%	4,639	0.060%	0.0069%
MTW	2.8%	659	0.008%	0.0002%
KLAC	7.5%	4,463	0.057%	0.0043%
AEP	3.2%	10,723	0.138%	0.0044%
L	NA	10,569	0.136%	NA
GIS	6.8%	16,462	0.212%	0.0143%
TMO	11.0%	14,126	0.182%	0.0200%
WMI	12.0%	13,272	0.171%	0.0205%
ADBE	15.0%	13,472	0.173%	0.0260%
JBL	20.8%	1,597	0.021%	0.0043%
MTB	4.0%	5,507	0.071%	0.0028%
D	6.6%	17,446	0.224%	0.0147%
VFC	10.3%	7,433	0.096%	0.0098%
VLO	3.0%	10,750	0.138%	0.0041%
NOC	11.1%	15,614	0.201%	0.0223%
NOVL	13.6%	1,302	0.017%	0.0023%
BDK	5.3%	2,210	0.028%	0.0015%
EQR	2.0%	5,896	0.076%	0.0015%
AVB	1.5%	4,484	0.058%	0.0009%
AMD	10.0%	2,274	0.029%	0.0029%
DE	7.2%	16,252	0.209%	0.0150%
HNZ	7.5%	10,575	0.136%	0.0102%
NWL	11.0%	2,294	0.029%	0.0032%
PCAR	11.3%	12,214	0.157%	0.0177%
FLS	10.0%	3,445	0.044%	0.0044%
PNC	7.3%	18,000	0.231%	0.0170%
TROW	11.3%	9,552	0.123%	0.0138%
STI	7.0%	4,890	0.063%	0.0044%
Q	(0.1%)	6,136	0.079%	-0.0001%
OXY	6.5%	44,397	0.571%	0.0371%
IPG	10.0%	2,813	0.036%	0.0036%
MCHP	8.5%	4,018	0.052%	0.0044%
MU	11.8%	3,545	0.046%	0.0054%
VAR	22.0%	4,344	0.056%	0.0123%
MJJP	9.0%	8,849	0.114%	0.0102%
LO	8.0%	10,606	0.136%	0.0109%
CSX	6.6%	11,176	0.144%	0.0095%
SWN	40.5%	12,591	0.162%	0.0656%
AZO	12.2%	9,035	0.116%	0.0142%
NI	3.0%	2,965	0.038%	0.0011%
TGT	13.1%	29,821	0.383%	0.0501%
SYK	13.7%	15,018	0.193%	0.0264%
PLD	6.0%	2,097	0.027%	0.0016%
RRD	12.0%	2,202	0.028%	0.0034%
CSC	8.8%	5,642	0.073%	0.0063%
CAG	8.0%	8,005	0.103%	0.0082%
DGX	13.2%	9,587	0.123%	0.0162%
PH	10.0%	6,946	0.089%	0.0089%
ITT	11.0%	7,369	0.095%	0.0104%
TMK	8.1%	2,268	0.029%	0.0023%
AAPL	17.2%	110,534	1.421%	0.2438%
MDT	11.3%	34,295	0.441%	0.0497%
SHW	8.8%	6,679	0.086%	0.0076%
AYE	19.8%	4,317	0.056%	0.0110%
EBAY	11.6%	20,837	0.268%	0.0311%
NKE	12.8%	26,925	0.346%	0.0444%
WY	4.0%	7,304	0.094%	0.0038%
RDC	11.8%	1,732	0.022%	0.0026%
CVH	12.5%	2,260	0.029%	0.0036%

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Calculation of the S&P growth Rate				
I/B/E/S				
Constituents	LT EPS Growth	Market Cap	Weight	Weighted Growth
CVII	12.5%	2,260	0.029%	0.0036%
AXP	10.3%	28,207	0.363%	0.0372%
LUV	12.7%	5,149	0.066%	0.0084%
COG	6.7%	2,985	0.038%	0.0026%
AN	11.0%	3,094	0.040%	0.0044%
BJS	7.0%	4,106	0.053%	0.0037%
JCP	11.0%	6,028	0.077%	0.0085%
STZ	8.4%	2,396	0.031%	0.0026%
GT	NA	2,527	0.032%	NA
BCR	14.2%	7,051	0.091%	0.0128%
FCL	13.7%	9,022	0.116%	0.0159%
RRC	12.3%	6,436	0.083%	0.0102%
EIX	1.4%	9,188	0.118%	0.0017%
ESRX	17.1%	15,116	0.194%	0.0333%
DNB	NA	4,332	0.056%	NA
DIS	8.4%	36,217	0.466%	0.0390%
YHOO	16.1%	19,017	0.244%	0.0394%
EMR	10.3%	24,727	0.318%	0.0328%
A	11.8%	5,883	0.076%	0.0089%
EL	10.3%	5,586	0.072%	0.0074%
ABC	11.8%	5,314	0.068%	0.0081%
BMC	12.0%	6,324	0.081%	0.0097%
UPS	8.0%	50,775	0.653%	0.0524%
PSA	18.1%	10,694	0.137%	0.0248%
KR	9.3%	14,143	0.182%	0.0168%
DHI	5.8%	4,061	0.052%	0.0030%
WFMI	16.0%	2,732	0.035%	0.0056%
CNP	18.0%	3,735	0.048%	0.0086%
VTR	8.0%	3,985	0.051%	0.0041%
SVU	5.0%	3,223	0.041%	0.0021%
MEE	19.0%	1,071	0.014%	0.0026%
ANF	12.6%	2,265	0.029%	0.0037%
DO	20.0%	10,347	0.133%	0.0266%
WIIR	NA	3,031	0.039%	NA
RL	14.0%	5,261	0.068%	0.0095%
MDP	NA	952	0.012%	NA
APC	5.4%	19,982	0.257%	0.0139%
TSS	9.7%	2,860	0.037%	0.0036%
BDX	12.7%	14,900	0.192%	0.0243%
OMC	12.1%	9,541	0.123%	0.0149%
PFJ	11.5%	3,687	0.047%	0.0054%
THC	6.0%	1,065	0.014%	0.0008%
SLM	13.5%	2,165	0.028%	0.0038%
PRCT	9.5%	5,534	0.071%	0.0068%
INTC	11.4%	84,049	1.080%	0.1229%
HPQ	11.1%	84,888	1.091%	0.1207%
SPG	7.5%	10,947	0.141%	0.0106%
WMT	11.6%	189,657	2.438%	0.2828%
BJL	7.4%	3,561	0.046%	0.0034%
CSCO	9.8%	108,977	1.401%	0.1378%
BNI	6.1%	21,990	0.283%	0.0172%
IRL	8.7%	4,079	0.052%	0.0045%
PKI	11.8%	1,538	0.020%	0.0023%
ERTS	17.8%	6,539	0.084%	0.0150%
BTU	13.0%	6,740	0.087%	0.0113%
BBY	12.8%	15,661	0.201%	0.0258%
F	3.0%	12,476	0.160%	0.0048%
APA	9.0%	22,787	0.293%	0.0264%
ART	11.4%	66,467	0.854%	0.0977%
EMN	7.0%	2,856	0.037%	0.0026%
KMB	8.0%	20,634	0.265%	0.0211%
PFE	1.3%	90,311	1.161%	0.0155%
ORCL	13.3%	98,373	1.268%	0.1676%
RSG	12.5%	7,403	0.095%	0.0119%
ZION	7.7%	1,216	0.016%	0.0012%
TWX	10.6%	26,047	0.335%	0.0356%
ISRG	21.0%	5,265	0.068%	0.0142%
FE	9.0%	12,224	0.157%	0.0141%
GAS	6.0%	1,435	0.018%	0.0011%
PEP	8.9%	77,902	1.001%	0.0888%
NYT	NA	721	0.009%	NA
NUE	5.0%	11,784	0.151%	0.0076%
CAT	6.8%	19,725	0.254%	0.0171%
CPWR	NA	1,781	0.023%	NA
CMI	10.3%	6,306	0.081%	0.0084%
MCD	9.0%	60,741	0.781%	0.0705%
STT	11.2%	14,552	0.187%	0.0210%
CI	9.1%	5,524	0.071%	0.0064%
IGT	10.3%	3,049	0.039%	0.0040%
HD	9.1%	44,222	0.568%	0.0520%
CTX	9.0%	1,362	0.018%	0.0016%
NTRS	12.3%	11,892	0.153%	0.0187%
PNW	4.5%	2,733	0.035%	0.0016%
PBI	1.0%	4,916	0.063%	0.0006%
LOW	10.7%	31,195	0.401%	0.0428%
ROK	8.0%	4,241	0.055%	0.0044%
CEPH	12.0%	4,615	0.059%	0.0071%
KFT	8.3%	33,571	0.432%	0.0359%
TSO	14.0%	2,177	0.028%	0.0039%
INTU	11.0%	7,423	0.095%	0.0105%
SWY	9.3%	8,797	0.113%	0.0105%
S	9.3%	11,607	0.149%	0.0138%
AA	20.0%	8,301	0.107%	0.0213%
UNP	9.9%	23,748	0.305%	0.0303%
XEL	6.4%	8,440	0.109%	0.0069%
XRAY	12.7%	4,017	0.052%	0.0065%
AFL	13.9%	12,892	0.166%	0.0231%
MEI	11.6%	22,620	0.291%	0.0338%
STR	9.0%	5,249	0.067%	0.0061%
NBR	10.0%	4,269	0.055%	0.0055%
IRM	19.8%	5,151	0.066%	0.0131%

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## Calculation of the S&amp;P growth Rate

I/B/E/S				
Constituents	L.T. EPS Growth	Market Cap	Weight	Weighted Growth
IRM	19.8%	5,151	0.066%	0.0131%
K	8.8%	14,975	0.193%	0.0169%
PBG	8.7%	6,688	0.086%	0.0075%
LTD	13.0%	3,499	0.045%	0.0058%
DRI	12.6%	5,226	0.067%	0.0085%
CTXS	11.3%	4,671	0.060%	0.0068%
CVS	13.6%	44,873	0.577%	0.0787%
DOW	11.6%	12,036	0.155%	0.0179%
CBE	10.8%	6,532	0.084%	0.0091%
ADM	21.0%	15,534	0.200%	0.0419%
ESV	12.3%	4,197	0.054%	0.0067%
EOG	6.5%	15,863	0.204%	0.0133%
HUM	13.0%	4,917	0.063%	0.0082%
MOLX	11.0%	2,758	0.035%	0.0039%
BF.B	7.5%	6,657	0.086%	0.0064%
PAYX	12.8%	9,731	0.125%	0.0160%
PTV	7.8%	2,826	0.036%	0.0028%
TIE	(4.9%)	1,134	0.015%	-0.0007%
ZMH	9.2%	9,639	0.124%	0.0114%
JEC	15.7%	4,971	0.064%	0.0100%
MIL	12.3%	3,241	0.042%	0.0051%
AMAT	11.6%	15,168	0.195%	0.0226%
FHN	10.0%	2,344	0.030%	0.0030%
C	5.0%	15,932	0.205%	0.0102%
HOT	(2.2%)	3,329	0.043%	-0.0009%
CMS	7.0%	2,692	0.035%	0.0024%
FDO	12.4%	4,662	0.060%	0.0074%
IFF	NA	2,528	0.033%	NA
DVA	12.1%	4,704	0.060%	0.0073%
TEG	13.5%	1,963	0.025%	0.0034%
EXC	7.8%	29,743	0.382%	0.0298%
WYNN	(11.7%)	4,058	0.052%	-0.0061%
MA	16.3%	21,674	0.279%	0.0454%
SJM	8.3%	4,496	0.058%	0.0048%
TDC	7.3%	2,752	0.035%	0.0026%
NTAP	12.7%	5,765	0.074%	0.0094%
GOOG	18.5%	121,139	1.557%	0.2882%
AIZ	9.5%	3,222	0.041%	0.0039%
MI	7.7%	1,568	0.020%	0.0016%
MO	9.0%	35,148	0.452%	0.0407%
CIT	NA	844	0.011%	NA
WIN	0.3%	3,646	0.047%	0.0002%
SHLD	NA	7,199	0.093%	NA
DPS	1.0%	4,853	0.062%	0.0006%
DYN	6.3%	1,401	0.018%	0.0011%
NDAQ	13.0%	3,683	0.047%	0.0062%
BK	10.6%	28,859	0.371%	0.0393%
DUK	4.4%	17,775	0.229%	0.0100%
EMC	10.1%	24,216	0.311%	0.0316%
CIEN	11.3%	1,016	0.013%	0.0015%
JAVA	8.5%	6,822	0.088%	0.0075%
RAI	5.0%	11,840	0.152%	0.0076%
LIFE	13.2%	5,567	0.072%	0.0094%
DELL	11.6%	21,227	0.273%	0.0317%
CMCSA	11.2%	40,890	0.526%	0.0588%
POM	3.7%	2,564	0.033%	0.0012%
HES	7.0%	17,962	0.231%	0.0162%
PRU	13.3%	10,989	0.141%	0.0188%
DFS	8.0%	4,012	0.052%	0.0041%
TEL	12.5%	7,731	0.099%	0.0124%
COV	8.0%	17,077	0.220%	0.0176%
MWV	10.0%	2,616	0.034%	0.0034%
CRM	35.6%	4,987	0.064%	0.0228%
HSP	12.2%	5,266	0.068%	0.0082%
CBG	10.8%	1,651	0.021%	0.0023%
PM	9.7%	73,038	0.939%	0.0908%
EQT	11.7%	4,440	0.057%	0.0067%
TRV	4.2%	23,949	0.308%	0.0130%
EXPE	11.7%	2,969	0.038%	0.0045%
HCP	13.0%	5,598	0.072%	0.0094%
ICE	15.5%	6,088	0.078%	0.0121%
MHS	16.8%	21,380	0.275%	0.0462%
WYN	15.0%	1,560	0.020%	0.0030%
MFE	13.0%	5,672	0.073%	0.0095%
PDCO	14.0%	2,398	0.031%	0.0043%
RF	5.7%	3,272	0.042%	0.0024%
NWSA	0.2%	19,682	0.253%	0.0004%
CME	10.4%	15,047	0.193%	0.0201%
FIS	13.1%	3,578	0.046%	0.0060%
CA	10.8%	9,117	0.117%	0.0127%
AMP	13.6%	5,440	0.070%	0.0095%
CBS	(4.4%)	3,979	0.051%	-0.0023%
VIA.B	8.2%	11,510	0.148%	0.0122%
GNF	17.0%	4,881	0.063%	0.0107%
CHRW	14.4%	8,822	0.113%	0.0163%
JDSU	16.4%	1,141	0.015%	0.0024%
IVZ	11.0%	5,544	0.071%	0.0078%
T	3.9%	151,335	1.945%	0.0765%
GNW	14.4%	940	0.012%	0.0017%
DTV	7.5%	24,999	0.321%	0.0241%
WLP	10.9%	20,365	0.262%	0.0286%
TAP	9.6%	6,702	0.086%	0.0083%
EQ	1.5%	5,119	0.066%	0.0010%
CAM	NA	5,514	0.071%	NA
CF	NA	3,373	0.043%	NA
IR	8.3%	6,549	0.084%	0.0069%
MRO	9.0%	20,743	0.267%	0.0240%
X	3.5%	3,038	0.039%	0.0014%
WU	11.5%	11,521	0.148%	0.0170%
SE	6.5%	9,299	0.120%	0.0078%
NYX	12.7%	5,646	0.073%	0.0092%

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## Calculation of the S&amp;P growth Rate

Constituents	I/B/E/S			
	LT EPS Growth	Market Cap	Weight	Weighted Growth
<b>M</b>	11.0%	5,307	0.068%	0.0075%
<b>PPG</b>	4.9%	7,113	0.091%	0.0045%
<b>CEG</b>	11.8%	4,490	0.058%	0.0068%
<b>HRB</b>	11.8%	5,020	0.065%	0.0076%
<b>EP</b>	5.0%	4,471	0.057%	0.0029%
<b>FAST</b>	18.3%	5,421	0.070%	0.0127%
<b>SNI</b>	8.7%	4,265	0.055%	0.0048%
<b>S&amp;P 500</b>		7,778,779	100.0%	<b>9.738%</b>

## Appendix CAPM 3.2

Expected Long-term Market Return	13.49%
Less: 30 year treasury yield	<u>4.00%</u>
Market Risk Premium	9.49%

## Appendix CAPM 4.0

Traditional CAPM

Risk Free

$$\text{ROE} = \text{Rate} + (\text{Beta} \times \text{MRP})$$

$$10.64\% = 4.00\% + 0.70 \times 9.49\%$$

$$10.64\% = 4.00\% + 6.64\%$$

## Appendix CAPM - 5.0

### Empirical Evidence on the Alpha Factor in ECAPM

<u>Author</u>	<u>Estimate</u>	<u>Period Studies</u>
Black (1993)	1% for betas between zero and .80	1931 - 1991
Black, Jensen and Scholes (1972)	4.31%	1931 -1965
Fama and McBeth (1972)	5.76%	1935 - 1968
Fama and French (1992)	7.32%	1941 - 1990
Litzenberger and Ramasway (1979)	5.32%	1936 - 1977
Litenberger, Ramawamy and Sosin (1980)	1.63% to 3.91%	1926 - 1978
Pettengill, Sundaram and Mathur (1995)	4.60%	1936 - 1990
Morin (1989)	2.00%	1926 - 1984

#### Sources:

Black, Fischer, "Beta and Return," *The Journal of Portfolio Management*, Fall 1993, 8-18.

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Fama, Eugene F. and Kenneth R. French, "The Cross-Section of Expected Stock Returns," *Journal of Finance*, Vol. 47, June 1992, pp. 427-465.

Litzenberger, Robert H. and Krishna Ramaswamy, "The Effect of Personal Taxes and Dividends on Capital Asset Prices, Theory and Empirical Evidence," *Journal of Financial Economics*, June 1979, pp. 163-195.

Litzenberger, Robert H. and Krishna Ramaswamy and Howard Sosin, "On the CAPM Approach to Estimation of a Public Utility's Cost of Equity Capital," *The Journal of Finance*, Vol. 35, No. 2, May 1980, pp. 369-387.

Pettengill, Glenn N., Sridhar Sundaram and Ike Mathur, "The Conditional Relation between Beta and Returns," *Journal of Financial and Quantitative Analysis*, Vol. 30, No. 1, March 1995, pp. 101-116.

Note: the above table was taken from R. A Morin, *New Regulatory Finance*, 2006, page 190 and supplements with direct Testimony of Michael J. Vilbert of the Brattle Group before the Pennsylvania Public Utility Commission April 10, 2006



# Appendix CAPM - 5.1

$$\begin{array}{rclclclclcl} \text{ECAPM} & = & (30 \text{ yr Treasury} & + & \text{Alpha}) & + & [\text{Beta} \times (\text{Risk Premium} & - & \text{Alpha})] \\ 10.79\% & & 4.00\% & + & 0.50\% & & 0.70 & \times & 9.49\% & - & 0.50\% \end{array}$$

$$\text{Risk premium} - \text{alpha} = 8.99\%$$

$$\text{Beta} \times (\text{Risk Premium} - \text{Alpha}) = 6.29\%$$

$$30 \text{ yr treasury} + \text{alpha} = \underline{4.50\%}$$

$$\text{ECAPM} = 10.79\%$$

# Appendix CAPM - 6.0

<u>Dociles</u>	Market Capitalization (in millions) of		Size Premium
	<u>smallest company</u>	<u>largest company</u>	(Return in <u>Excess of CAPM</u> )
1	\$18,627,540	\$465,651,938	-0.36
2	7,434,806	18,503,467	0.62
<b>3</b>	<b>4,229,323</b>	<b>7,360,271</b>	<b>0.74</b>
4	2,785,698	4,225,152	0.97
5	1,849,950	2,785,538	1.54
6	1,198,013	1,848,961	1.63
7	753,676	1,197,133	1.62
8	453,398	753,448	2.35
9	218,743	453,254	2.71
10	1,575	218,533	5.81

Source: Morningstar (Ibbotson) 2009 Yearbook page 216

NU shares outstanding on June 1, 2009	175,130,000
52 week trading range	\$17.16 - \$28.20
Market Capitalization (price x shares outstanding)	
low price	\$3,005,230,800
high price	<u>\$4,938,666,000</u>
average	\$3,971,948,400

An example of the need to make an adjustment for flotation costs

To demonstrate the need for adjusting the market-determined ROE, consider the following simple example using actual numbers from NU's March 2009 equity issuance:

Investor pays	\$20.20 per share				
Issuance expenses are	3.28%				
or	\$0.663 per share				\$0.66
The company nets	\$19.54 per share				
Investor paid:	\$20.20				
investor required %		10.50%	10.75%	11.00%	11.25%
investor required return \$		\$2.12	\$2.17	\$2.22	\$2.27
Company proceeds of only:	\$19.54				
requires an annual return of		10.86%	11.11%	11.37%	11.63%
difference		0.36%	0.36%	0.37%	0.38%

# Appendix CAPM - 8.0

		Adjustments	Cumulative
Traditional CAPM	10.64%		
Empirical		0.15%	10.79%
Size		0.74%	11.53%
Issuance costs		0.37%	11.90%



#### Attachment GJE - 5 Risk Premium Model

To calculate the equity risk premium, it is necessary to utilize data covering the historic returns on utility common equity and on utility long-term debt. I used the share value for December S&P Electric Company Index<sup>1</sup> published in the S&P Electric Utility Analysts' Handbook and the share value for December Moody's Electric Utility Common Stock Index<sup>2</sup> published in the Mergent Bond Records for the utility equity returns. As stated in Section VI.b.iii of my testimony, I used the December average yield for all public utility bonds for all ratings published in Mergent Bond Record for the utility debt returns. The Risk Premium model assumes that the average realized return is an appropriate surrogate for expected returns. However, realized returns can be substantially different from future returns. Therefore, an historical risk premium study should consider the longest possible period for which data is available. Only over long time periods will investor return expectations and realizations come together.<sup>3</sup>

The S&P Common Stock Index with dividends begins in 1945; for consistency I began the Moody's calculation in 1945 as well. The results are summarized in the table below and the calculations, assumptions and formulas<sup>4</sup> are provided in Appendix - RPM - 1.0, and 2.0.

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<sup>1</sup> The S&P Index was set in 1941 to a base of 10; in 1995, S&P began to report the index on a base of 100. For consistency, I have adjusted the 1995 to present stock value and dividends to a base of 10.

<sup>2</sup> In 2003, Moody's suspended the calculation of their Utility Common Stock Index. I have continued to track the Moody's common stock index.

<sup>3</sup> By analogy, one cannot predict with any confidence and with any degree of accuracy the results of a single, or even a few, flips of a coin. But, one can predict with a high degree of confidence that approximately 50 heads will appear in 100 tosses of the coin.

<sup>4</sup> The formula is derived from R.A. Morin, Ph D, New Regulatory Finance, page 117-118

	Average Annual Return	
	<u>1945 - 2008</u>	
Moody's Electric Utility Common Stock Index	10.78%	
S&P Electric Utility Common Stock Index		11.22%
Less:		
Public Utility Total Bond Return		<u>6.83%</u>
Utility Equity Risk Premium	<u>3.95%</u>	4.39%
Average		4.17%

To calculate the cost of equity, the average annual risk premium must be added to the current cost of PSNH's long-term debt. For PSNH's cost of long-term debt, I started with the same 4.0 percent estimate for a 30-year Treasury bond yield that I used in my CAPM analysis. PSNH's first mortgage bonds are rated Baa1/BBB+. The credit spread for a Baa1/ BBB+ rated utility bond as published by Reuters is 428 basis points. Therefore, I added the 428 basis point credit spread to the 4.0% estimated yield on Treasuries to obtain the 8.28% estimate for PSNH's cost of debt. Adding the 4.17% equity risk premium results in a 12.45% return on equity.

30-yr Treasury Yields		
May '09 average		4.23%
2009 average		3.67%
	estimate	4.00%
30-yr Utility Bond Spreads in basis points		
(Appendix RPM 3.0)		
Baa1/BBB+		4.28%
All-In Cost of PSNH's Long-Term Debt		
Treasury yield plus spread		8.28%
Cost of Equity		
All-In Cost of PSNH's Long-Term Debt		
plus equity spread of	4.17%	12.45%

**S&P Electric Utility Common Stock Index  
Over Public Utility Bond Yields  
Annual Long-Term Risk Premium**

Calculation of Total Bond Return						Calculation of Total Equity Return					
	December Close					S&P	Capital				
	Long-Term				Bond	Electric	Gain/ Loss		Stock	Equity	
	Public Utility	30 yr Maturity	Gain/ Loss	Interest	Total	Distribution			Total Return	Risk	
year	Yield	Bond Value			Return	Index	Dividend	%	Yield	Premium	
1945	2.79%	1000				16.37					
1 1946	2.77%	1,003.97	3.97	27.70	3.17%	15.45	0.73	-5.62%	4.72%	-4.06%	
2 1947	3.02%	951.93	-48.07	30.20	-1.79%	12.7	0.75	-17.80%	4.85%	-11.16%	
3 1948	3.06%	992.35	-7.65	30.60	2.29%	12.24	0.71	-3.62%	5.59%	-0.33%	
4 1949	2.79%	1,053.44	53.44	27.90	8.13%	14.5	0.80	18.46%	6.54%	16.87%	
5 1950	2.87%	984.32	-15.68	28.70	1.30%	14.1	0.88	-2.76%	6.07%	2.01%	
6 1951	3.24%	930.77	-69.23	32.40	-3.68%	16.03	0.92	13.69%	6.52%	23.90%	
7 1952	3.19%	1,009.41	9.41	31.90	4.13%	18.17	0.95	13.35%	5.93%	15.14%	
8 1953	3.37%	966.85	-33.15	33.70	0.06%	19.09	0.99	5.06%	5.45%	10.46%	
9 1954	3.10%	1,051.41	51.41	31.00	8.24%	22.16	1.03	16.08%	5.40%	13.24%	
10 1955	3.31%	961.04	-38.96	33.10	-0.59%	24.17	1.09	9.07%	4.92%	14.57%	
11 1956	3.93%	893.27	-106.73	39.30	-6.74%	23.39	1.13	-3.23%	4.68%	8.19%	
12 1957	4.29%	940.59	-59.41	42.90	-1.65%	24.53	1.19	4.87%	5.09%	11.61%	
13 1958	4.39%	983.69	-16.31	43.90	2.76%	32.4	1.24	32.08%	5.06%	34.38%	
14 1959	4.86%	927.32	-72.68	48.60	-2.41%	33.11	1.30	2.19%	4.01%	8.61%	
15 1960	4.58%	1,044.69	44.69	45.80	9.05%	38.37	1.37	15.89%	4.14%	10.97%	
16 1961	4.63%	992.06	-7.94	46.30	3.84%	50.25	1.44	30.96%	3.75%	30.88%	
17 1962	4.41%	1,035.81	35.81	44.10	7.99%	47.84	1.52	-4.80%	3.02%	-9.76%	
18 1963	4.49%	987.10	-12.90	44.90	3.20%	51.39	1.63	7.42%	3.41%	7.63%	
19 1964	4.54%	991.98	-8.02	45.40	3.74%	58.03	1.74	12.92%	3.39%	12.57%	
20 1965	4.82%	956.51	-43.49	48.20	0.47%	57.91	1.90	-0.21%	3.27%	2.60%	
21 1966	4.65%	1,026.92	26.92	46.50	7.34%	53.02	2.04	-8.44%	3.52%	-12.26%	
22 1967	6.57%	752.59	-247.41	65.70	-18.17%	48.6	2.16	-8.34%	4.07%	13.91%	
23 1968	6.85%	964.92	-35.08	68.50	3.34%	52.46	2.27	7.94%	4.67%	9.27%	
24 1969	8.39%	833.38	-166.62	83.90	-8.27%	41.81	2.33	-20.30%	4.44%	-7.59%	
25 1970	4.45%	1,638.32	638.32	44.50	68.28%	44.12	2.40	5.52%	5.74%	-57.02%	
26 1971	7.92%	607.93	-392.07	79.20	-31.29%	41.81	2.47	-5.24%	5.60%	31.65%	
27 1972	7.48%	1,051.83	51.83	74.80	12.66%	43.94	2.53	5.09%	6.05%	-1.52%	
28 1973	8.17%	923.83	-76.17	81.70	0.55%	31.79	2.51	-27.65%	5.71%	-22.49%	
29 1974	10.02%	826.21	-173.79	100.20	-7.36%	21.8	2.49	-31.42%	7.83%	-16.23%	
30 1975	9.87%	1,014.27	14.27	98.70	11.30%	29.76	2.57	36.51%	11.79%	37.01%	
31 1976	8.61%	1,133.65	133.65	86.10	21.97%	34.63	2.58	16.36%	8.67%	3.06%	
32 1977	8.65%	995.77	-4.23	86.50	8.23%	35.46	2.74	2.40%	7.91%	2.08%	
33 1978	9.67%	901.34	-98.66	96.70	-0.20%	31.99	2.94	-9.79%	8.29%	-1.30%	
34 1979	11.68%	834.31	-165.69	116.80	-4.89%	28.94	3.10	-9.53%	9.69%	5.05%	
35 1980	14.48%	809.98	-190.02	144.80	-4.52%	26.47	3.20	-8.53%	11.06%	7.04%	
36 1981	15.77%	919.20	-80.80	157.70	7.69%	29.79	3.42	12.54%	12.92%	17.77%	
37 1982	13.55%	1,160.18	160.18	135.50	29.57%	35.47	3.62	19.07%	12.15%	1.65%	
38 1983	13.48%	1,005.07	5.07	134.80	13.99%	38.24	3.84	7.81%	10.83%	4.65%	
39 1984	13.96%	966.30	-33.70	139.60	10.59%	41.54	4.06	8.63%	10.62%	8.66%	
40 1985	10.82%	1,276.54	276.54	108.20	38.47%	48.36	4.15	16.42%	9.99%	-12.07%	
41 1986	8.96%	1,191.25	191.25	89.60	28.08%	59.9	4.21	23.86%	8.71%	4.48%	
42 1987	10.99%	823.59	-176.41	109.90	-6.65%	49.78	4.34	-16.89%	7.25%	-3.00%	
43 1988	10.02%	1,091.12	91.12	100.20	19.13%	53.78	4.37	8.04%	8.78%	-2.32%	
44 1989	9.31%	1,070.81	70.81	93.10	16.39%	66.01	4.28	22.74%	7.96%	14.31%	
45 1990	9.57%	974.64	-25.36	95.70	7.03%	63.61	4.45	-3.64%	6.74%	-3.93%	
46 1991	8.76%	1,084.77	84.77	87.60	17.24%	74.44	4.57	17.03%	7.18%	6.97%	
47 1992	8.36%	1,043.40	43.40	83.60	12.70%	81.52	4.68	9.51%	6.29%	3.10%	
48 1993	7.33%	1,123.10	123.10	73.30	19.64%	67	4.71	-17.81%	5.78%	-31.67%	
49 1994	8.79%	847.61	-152.39	87.90	-6.45%	100	4.65	49.25%	6.94%	62.64%	
50 1995	7.21%	1,191.04	191.04	72.10	26.31%	81.62	4.64	-18.38%	4.64%	-40.06%	
51 1996	7.58%	956.83	-43.17	75.80	3.26%	76.74	4.61	-5.97%	5.65%	-3.58%	
52 1997	7.16%	1,051.03	51.03	71.60	12.26%	91.49	4.46	19.21%	5.81%	12.76%	
53 1998	6.84%	1,040.13	40.13	68.40	10.85%	101.68	4.36	11.15%	4.76%	5.06%	
54 1999	8.04%	865.92	-134.08	80.40	-5.37%	81.16	4.22	-20.19%	4.15%	-10.66%	
55 2000	7.79%	1,028.89	28.89	77.88	10.68%	119.28	4.23	46.97%	5.22%	41.51%	
56 2001	7.88%	989.88	-10.12	78.77	6.87%	95.93	3.62	-19.58%	3.03%	-23.41%	
57 2002	7.21%	1,081.04	81.04	72.07	15.31%	77.85	3.87	-18.85%	4.04%	-30.12%	
58 2003	6.35%	1,112.42	112.42	63.53	17.59%	92.63	3.43	18.99%	4.40%	5.80%	
59 2004	5.93%	1,057.80	57.80	59.33	11.71%	112.82	3.79	21.79%	4.09%	14.17%	
60 2005	5.83%	1,014.38	14.38	58.30	7.27%	128.07	4.41	13.51%	3.91%	10.15%	
61 2006	5.83%	1,000.46	0.46	58.27	5.87%	152.45	4.63	19.04%	3.61%	16.78%	
62 2007	6.23%	945.76	-54.24	62.33	0.81%	181.98	5.20	19.37%	3.41%	21.97%	
63 2008	6.87%	920.79	-79.21	68.67	-1.05%	167.13	5.62	-8.16%	3.09%	-4.02%	
					6.83%				11.22%	4.39%	



Logic of CalculationTotal Return on Bonds:

$$\text{Annual Total Bond Cash Return} = (\text{current year bond price} - \$1,000 \text{ purchase price} + \text{current year interest}) / \$1,000 \text{ purchase price}$$

In order to compute annual total returns on a 30-year bond, it is necessary to assume that a \$1,000 bond is purchased at par in January of each year, interest payments are received during the year, and the bond is sold twelve months later. The total return on the bond for the year will consist of the capital gain or loss, depending on the relation of the sale price to the \$1,000 purchase price plus interest received. The sale price (Bond Value) reflects the present value (PV) of all future interest payments and repayment of principal at maturity. The sale price may be higher or lower than the purchase price depending on changes in interest rates during the year.

Purchase a 30-year, \$1,000 bond in January 1945 paying 2.79% interest semi-annually.

In January 1946 sell the bond purchased in 1945.

- a. 1946 Bond Value = PV of \$1,000 to be received in 1975 plus the PV of 2.79% semi-annual interest payments. These future payments are discounted at the 1946 semi-annual interest rate of 2.77%. The 2.77% rate reflects the investor required yield on a similar investment in 1946.

PV of principle =	553.645
PV of interest payments =	450.324
1946 Bond Value	1003.97

- b. 1946 Gain/Loss (measured in January 1946) is the 1946 Bond Value less \$1,000 purchase price

$$1003.47 - 1000 = 3.969$$

- c. 1946 Interest is calculated as the \$1,000 bond purchased in 1946 x the 1946 interest rate of 2.77%.

$$1000 \times 2.77\% = 27.700$$

- d. 1946 Total Bond Return (a + b)

Gain/ Loss on the bond /\$1,000	0.397%
Interest on the bond / \$1000	<u>2.770%</u>
	3.17%

Total Return on Equity:

$$\text{Annual Total Stock Cash Return} = (\text{current year stock price} - \text{prior year stock price} + \text{current year dividends}) / \text{prior year stock price}$$

In order to compute annual total equity, it is necessary to assume that a share in the index is purchased at the start of each year, dividends are received during the year, and the share is sold twelve months later. The total return on equity for the year will consist of the capital gain or loss, depending on the relation of the sale price to the purchase price.

Purchase a share of the index in January 1945. In January 1946 sell the share purchased in 1945.

- a. 1946 Capital Gain/Loss (measured in January 1946) divided by 1945 purchase price

1946 sale price	15.45
1945 purchase price	<u>16.37</u>
	-0.92
% of purchase price	-5.62%

- b. 1946 Yield is 1946 dividend divided by 1946 purchase price

$$.73 / 15.45 = 4.725\%$$

- c. 1946 Total Stock Return

Capital Gain/Loss	-5.620%
Yield	<u>4.725%</u>
	-0.90%

Equity Risk Premium

Total Equity Return	-0.90%
less:	
Total Bond Return	3.17%
	-4.06%

Moody's Electric Utility Common Stocks  
Over Public Utility Bond Yields  
Annual Long-Term Risk Premium

Calculation of Total Bond Return						Calculation of Total Equity Return					
year	December Close Long-Term Public Utility Yield	30 yr Maturity Bond Value	Gain/ Loss	Interest	Bond Total Return	December Moody's Electric Distribution Index	Dividend	Capital Gain/ Loss % Growth	Yield	Stock Total Return	Equity Risk Premium
1945	2.79%	1000				31.14					
1 1946	2.77%	1,003.97	3.97	27.70	3.17%	32.71	1.43	5.04%	4.37%	9.41%	6.25%
2 1947	3.02%	951.93	-48.07	30.20	-1.79%	25.6	1.56	-21.74%	6.09%	-15.64%	-13.86%
3 1948	3.06%	992.35	-7.65	30.60	2.29%	26.2	1.6	2.34%	6.11%	8.45%	6.16%
4 1949	2.79%	1,053.44	53.44	27.90	8.13%	30.57	1.66	16.68%	5.43%	22.11%	13.98%
5 1950	2.87%	984.32	-15.68	28.70	1.30%	30.81	1.76	0.79%	5.71%	6.50%	5.20%
6 1951	3.24%	930.77	-69.23	32.40	-3.68%	33.85	1.88	9.87%	5.55%	15.42%	19.10%
7 1952	3.19%	1,009.41	9.41	31.90	4.13%	37.85	1.91	11.82%	5.05%	16.86%	12.73%
8 1953	3.37%	966.85	-33.15	33.70	0.06%	39.61	2.01	4.65%	5.07%	9.72%	9.67%
9 1954	3.10%	1,051.41	51.41	31.00	8.24%	47.56	2.13	20.07%	4.48%	24.55%	16.31%
10 1955	3.31%	961.04	-38.96	33.10	-0.59%	49.35	2.21	3.76%	4.48%	8.24%	8.83%
11 1956	3.93%	893.27	-106.73	39.30	-6.74%	48.96	2.32	-0.79%	4.74%	3.95%	10.69%
12 1957	4.29%	940.59	-59.41	42.90	-1.65%	50.3	2.43	2.74%	4.83%	7.57%	9.22%
13 1958	4.39%	983.69	-16.31	43.90	2.76%	66.37	2.5	31.95%	3.77%	35.72%	32.96%
14 1959	4.86%	927.32	-72.68	48.60	-2.41%	65.77	2.61	-0.90%	3.97%	3.06%	5.47%
15 1960	4.58%	1,044.69	44.69	45.80	9.05%	76.82	2.68	16.80%	3.49%	20.29%	11.24%
16 1961	4.63%	992.06	-7.94	46.30	3.84%	99.32	2.81	29.29%	2.83%	32.12%	28.28%
17 1962	4.41%	1,035.81	35.81	44.10	7.99%	96.49	2.97	-2.85%	3.08%	0.23%	-7.76%
18 1963	4.49%	987.10	-12.90	44.90	3.20%	102.31	3.21	6.03%	3.14%	9.17%	5.97%
19 1964	4.54%	991.98	-8.02	45.40	3.74%	115.54	3.43	12.93%	2.97%	15.90%	12.16%
20 1965	4.82%	956.51	-43.49	48.20	0.47%	114.86	3.86	-0.59%	3.36%	2.77%	2.30%
21 1966	4.65%	1,026.92	26.92	46.50	7.34%	105.99	4.11	-7.72%	3.88%	-3.84%	-11.19%
22 1967	6.57%	752.59	-247.41	65.70	-18.17%	98.19	4.34	-7.36%	4.42%	-2.94%	15.23%
23 1968	6.85%	964.92	-35.08	68.50	3.34%	104.04	4.5	5.96%	4.33%	10.28%	6.94%
24 1969	8.39%	833.38	-166.62	83.90	-8.27%	84.62	4.61	-18.67%	5.45%	-13.22%	-4.95%
25 1970	4.45%	1,638.32	638.32	44.50	68.28%	88.59	4.7	4.69%	5.31%	10.00%	-58.29%
26 1971	7.92%	607.93	-392.07	79.20	-31.29%	85.56	4.77	-3.42%	5.58%	2.15%	33.44%
27 1972	7.48%	1,051.83	51.83	74.80	12.66%	83.61	4.87	-2.28%	5.82%	3.55%	-9.12%
28 1973	8.17%	923.83	-76.17	81.70	0.55%	60.87	5.01	-27.20%	8.23%	-18.97%	-19.52%
29 1974	10.02%	826.21	-173.79	100.20	-7.36%	41.17	4.83	-32.36%	11.73%	-20.63%	-13.27%
30 1975	9.87%	1,014.27	14.27	98.70	11.30%	55.66	4.97	35.20%	8.93%	44.12%	32.83%
31 1976	8.61%	1,133.65	133.65	86.10	21.97%	66.29	5.18	19.10%	7.81%	26.91%	4.94%
32 1977	8.65%	995.77	-4.23	86.50	8.23%	68.19	5.54	2.87%	8.12%	10.99%	2.76%
33 1978	9.67%	901.34	-98.66	96.70	-0.20%	59.75	5.81	-12.38%	9.72%	-2.65%	-2.46%
34 1979	11.68%	834.31	-165.69	116.80	-4.89%	56.41	6.22	-5.59%	11.03%	5.44%	10.33%
35 1980	14.48%	809.98	-190.02	144.80	-4.52%	54.42	6.58	-3.53%	12.09%	8.56%	13.08%
36 1981	15.77%	919.20	-80.80	157.70	7.69%	57.2	6.99	5.11%	12.22%	17.33%	9.64%
37 1982	13.55%	1,160.18	160.18	135.50	29.57%	70.26	7.43	22.83%	10.58%	33.41%	3.84%
38 1983	13.48%	1,005.07	5.07	134.80	13.99%	72.03	7.87	2.52%	10.93%	13.45%	-0.54%
39 1984	13.96%	966.30	-33.70	139.60	10.59%	80.16	8.26	11.29%	10.30%	21.59%	11.00%
40 1985	10.82%	1,276.54	276.54	108.20	38.47%	94.98	8.61	18.49%	9.07%	27.55%	-10.92%
41 1986	8.96%	1,191.25	191.25	89.60	28.08%	113.66	8.89	19.67%	7.82%	27.49%	-0.60%
42 1987	10.99%	823.59	-176.41	109.90	-6.65%	94.24	9.12	-17.09%	9.68%	-7.41%	-0.76%
43 1988	10.02%	1,091.12	91.12	100.20	19.13%	100.94	8.87	7.11%	8.79%	15.90%	-3.24%
44 1989	9.31%	1,070.81	70.81	93.10	16.39%	122.52	8.82	21.38%	7.20%	28.58%	12.19%
45 1990	9.57%	974.64	-25.36	95.70	7.03%	117.77	8.79	-3.88%	7.46%	3.59%	-3.45%
46 1991	8.76%	1,084.77	84.77	87.60	17.24%	144.02	8.95	22.29%	6.21%	28.50%	11.27%
47 1992	8.36%	1,043.40	43.40	83.60	12.70%	141.06	9.05	-2.06%	6.42%	4.36%	-8.34%
48 1993	7.33%	1,123.10	123.10	73.30	19.64%	146.7	8.99	4.00%	6.13%	10.13%	-9.51%
49 1994	8.79%	847.61	-152.39	87.90	-6.45%	115.5	8.96	-21.27%	7.76%	-13.51%	-7.06%
50 1995	7.21%	1,191.04	191.04	72.10	26.31%	142.9	9.06	23.72%	6.34%	30.06%	3.75%
51 1996	7.58%	956.83	-43.17	75.80	3.26%	136	9.06	-4.83%	6.66%	1.83%	-1.43%
52 1997	7.16%	1,051.03	51.03	71.60	12.26%	155.73	9.06	14.51%	5.82%	20.33%	8.06%
53 1998	6.84%	1,040.13	40.13	68.40	10.85%	181.44	8.01	16.51%	4.41%	20.92%	10.07%
54 1999	8.04%	865.92	-134.08	80.40	-5.37%	137.3	8.06	-24.33%	5.87%	-18.46%	-13.09%
55 2000	7.79%	1,028.89	28.89	77.88	10.68%	227.09	8.71	65.40%	3.84%	69.23%	58.56%
56 2001	7.88%	989.88	-10.12	78.77	6.87%	200.5	8.56	-11.71%	4.27%	-7.44%	-14.30%
57 2002	7.21%	1,081.04	81.04	72.07	15.31%	169.5	8.83	-15.46%	5.21%	-10.25%	-25.56%
58 2003	6.35%	1,112.42	112.42	63.53	17.59%	195.27	8.56	15.21%	4.38%	19.59%	1.99%
59 2004	5.93%	1,057.80	57.80	59.33	11.71%	207.66	8.49	6.34%	4.09%	10.43%	-1.28%
60 2005	5.83%	1,014.38	14.38	58.30	7.27%	238.57	8.89	14.88%	3.73%	18.61%	11.34%
61 2006	5.83%	1,000.46	0.46	58.27	5.87%	273.46	8.88	14.63%	3.25%	17.87%	12.00%
62 2007	6.23%	945.76	-54.24	62.33	0.81%	354.21	8.43	29.53%	2.38%	31.91%	31.10%
63 2008	6.87%	920.79	-79.21	68.67	-1.05%	224.27	9.43	-36.69%	4.20%	-32.48%	-31.43%

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**Reuters Corporate Spreads for Utilities**


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<b><u>Ratings</u></b>	<b><u>1 yr</u></b>	<b><u>2 yr</u></b>	<b><u>3 yr</u></b>	<b><u>5 yr</u></b>	<b><u>7 yr</u></b>	<b><u>10 yr</u></b>	<b><u>30 yr</u></b>
Aaa/AAA	158	133	160	198	208	218	233
Aa1/AA+	168	183	223	233	288	318	348
Aa2/AA	193	208	233	358	298	328	358
Aa3/AA-	218	228	248	298	308	338	373
A1/A+	238	243	263	298	323	343	383
A2/A	293	253	278	308	328	378	393
A3/A-	343	280	288	308	338	393	403
Baa1/BBB+	443	288	298	328	370	398	428
Baa2/BBB	493	298	303	338	390	408	438
Baa3/BBB-	543	308	318	348	405	428	448
Ba1/BB+	630	620	570	575	590	610	650
Ba2/BB	1440	1440	1425	1390	1300	1000	1050
Ba3/BB-	1240	640	740	840	950	1050	1150
B1/B+	1255	1340	1340	1440	1550	1650	1750
B2/B	1440	1740	1840	1940	2250	2350	2450
B3/B-	1640	1840	2040	2140	2450	2550	2650
Caa/CCC	1940	2040	2140	2440	2550	2650	2950

**Note: Reuters Evaluator spreads for bullet bonds.**

Source: Reuters Bond Channel

Date Friday May 8, 2009



PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
 COMPUTATION OF DISTRIBUTION REVENUE DEFICIENCY  
 FOR TEST YEAR ENDED DECEMBER 31, 2008  
 (Thousands of Dollars)

				<u>Actual TY</u> <u>Distribution</u> <u>Segment</u>
1	Rate Base			\$ 723,882
2	Rate of Return			<u>5.933%</u>
3	Required Net Operating Income			42,948
4	Actual TY Net Operating Income Applicable			
5	to Rate Base			<u>\$ 42,948</u>
6	Deficiency			<u>(0)</u>
7	Tax Effect (.59475)			
8	Revenue Deficiency	GRCF(1) ==>	1.6814	<u>\$ -</u>
				<u>Proformed TY</u> <u>at 12/31/09</u> <u>Distribution</u> <u>Segment</u>
9	Rate Base			\$ 777,118
10	Required Rate of Return			<u>8.108%</u>
11	Required Net Operating Income			63,009
12	Net Operating Income Applicable			
13	to Rate Base			<u>\$ 30,208</u>
14	Pre-Tax Deficiency			<u>32,801</u>
15	Tax Effect (.59475)			
16	Sub-Total	GRCF (1) ==>	1.6814	<u>\$ 55,152</u>
17	Major Ice Storm Costs (2)			9,085
18	Reliability Enhancement Program (3)			<u>4,000</u>
19	Total Revenue Deficiency - Proforma Rate Year			
20	(L16 + L17 + L18)			\$ 68,237
21	Less: Rate Year Adjustments effective 7/1/2010 (4)			<u>17,129</u>
22	Total Revenue Deficiency effective 8/1/2009			<u>\$ 51,108</u>
23	Per Notice of Intent			
24	(1) Gross Revenue Conversion Factor (GRCF) =		$\frac{1}{(1 - \text{Tax Rate})}$	
25				
26	(2) See the Testimony of R. A. Baumann, Attachment RAB-2.			
27	(3) See the Testimony of S. M. Johnson.			
28	(4) See Revenue Deficiency, page 2 of 2.			

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
 COMPUTATION OF DISTRIBUTION REVENUE DEFICIENCY  
 FOR TEST YEAR ENDED DECEMBER 31, 2008  
 (Thousands of Dollars)

Summary of Rate Year Adjustments effective 7/1/2010

	<u>Amount</u>	<u>Reference</u>
1 Reliability Enhancement Program	\$ 4,000	See Testimony of S.M. Johnson and
2		Table on page 19
3 Capital Recovery Calculation	5,760	See Schedule 1 Attachment, page 21a of 22 and
4		SFR PUC 1604.01 (12)
5 Major Storms Reserve	2,700	See Schedule 1 Attachment, page 18 of 22
6 Net 2009 Capital Additions to Rate Base	4,669	See calculation below (1)
7 and Depreciation		
8 Total Rate Year Adjustments	\$ 17,129	
9 Effective 7/1/2010	<u>17,129</u>	

10 (1) The Return on net 2009 Capital Additions to Rate Base and Depreciation is shown below:

11 2009 Rate Base Additions	\$ 23,332	Schedule 3, page 2
12 Required Rate of Return	8.108%	Schedule I, page 2
13 Gross Revenue Conversion Factor	1.6814	Revenue Deficiency, page 1 of 2
14 Return on 2009 Capital Additions		
15 (L11 x L12 x L13)	\$ 3,180	
16 Depreciation on 2009 Capital Additions	1,489	See Schedule 1 Attachment, Page 21a of 22, lines 2 + 6
17 Net adjustment for 2009 additions	\$ 4,669	
18 to Rate Base (L15 + L16)	<u>4,669</u>	

000078



PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

OPERATING INCOME STATEMENT

TOTAL DISTRIBUTION

(Thousands of Dollars)

		Twelve Months Ended: December 31, 2008		
		Distribution (1)	Proforma Adjustment	Proforma Distribution
1	Operating Revenues	\$ 259,599	\$ 225	\$ 259,824
2	Operating Expenses			
3	Production Expenses	223	-	223
4	Transmission Expenses	4,959	565	5,524
5	Distribution Expenses	47,728	267	47,995
6	Customers' Accounting	24,226	242	24,468
7	General Administrative	66,279	7,383	73,662
8	Other	582	176	758
9	Sub-Total	143,997	8,633	152,630
10	Depreciation	28,837	9,843	38,680
11	Amortization of Regulatory Assets, Net	6,011	254	6,265
12	Current Income Tax	(21,888)	(11,749)	(33,637)
13	Deferred Income Tax, net	32,792	2,386	35,178
14	Investment Tax Credit Adjustments	(132)	-	(132)
15	Other Tax	26,610	3,598	30,208
16	Gain/Loss on Disposal of Utility Plant, Net	-	-	-
17	Total Operating Expenses	\$ 216,227	\$ 12,964	\$ 229,191
18	Net Operating Income	\$ 43,372	(12,739)	30,633
19	Less:			
20	Donations, Net-of-Tax	293	-	293
21	Return on Customers' Deposits	131	-	131
22	Net Operating Income Applicable			
23	to Rate Base	\$ 42,948	\$ (12,739)	\$ 30,208

24 (1) Excludes Retail Transmission shown on page 2 as these costs are tracked by Transmission Cost  
25 Adjustment Mechanism (TCAM).

26 Amounts shown above may not add due to rounding.

000079



PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

OPERATING INCOME STATEMENT

CALCULATION OF DISTRIBUTION

(Thousands of Dollars)

		Twelve Months Ended: December 31, 2008		
		Retail		
		Delivery (1)	Transmission (2)	Distribution
1	Operating Revenues	\$ 328,937	\$ 69,338	\$ 259,599
2	Operating Expenses			
3	Production Expenses	349	126	223
4	Transmission Expenses	72,046	67,087	4,959
5	Distribution Expenses	47,728		47,728
6	Customers' Accounting	24,226	-	24,226
7	General Administrative	66,279	-	66,279
8	Other	582	-	582
9	Sub-Total	211,211	67,213	143,997
10	Depreciation	28,837	-	28,837
11	Amortization of Regulatory Assets, Net	7,936	1,925	6,011
12	Current Income Tax	(22,497)	(609)	(21,888)
13	Deferred Income Tax, net	33,500	708	32,792
14	Investment Tax Credit Adjustments	(132)	-	(132)
15	Other Tax	26,610	-	26,610
16	Gain/Loss on Disposal of Utility Plant, Net	-	-	-
17	Total Operating Expenses	\$ 285,465	\$ 69,237	\$ 216,227
18	Net Operating Income	\$ 43,472	\$ 101	\$ 43,372

19 (1) Schedule 1, page 3 of 5. Delivery less Retail Transmission equals Distribution.

20 (2) Prior to July 1, 2007, PSNH recovered through its Delivery Rates, both Distribution and Retail Transmission costs.  
 21 Effective July 1, 2007, in accordance with an Order issued in DE 06-028, Delivery rates were split into Distribution  
 22 and Retail Transmission rates. Since then, Retail Transmission costs and associated revenues are recovered  
 23 separately through the TCAM and are being eliminated in this schedule to calculate the Distribution starting point  
 24 for this rate filing.

25 Amounts shown above may not add due to rounding.

000030

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

OPERATING INCOME STATEMENT

(Thousands of Dollars)

Twelve Months Ended: December 31, 2008						
	Delivery (1)	Transmission	Generation	Regulatory	Other/ Eliminations	Total Company
1 Operating Revenues	\$ 328,937	\$ 59,018	\$ 689,677	\$ 68,321	\$ (43,115)	\$ 1,102,838
2 Operating Expenses						
3 Production Expenses	349	-	581,032	16,400	3,443	601,225
4 Transmission Expenses	72,046	11,351	5,798	-	(47,216)	41,979
5 Distribution Expenses	47,728	-	-	-	1	47,729
6 Customers' Accounting	24,226	-	2,944	14,600	-	41,770
7 General Administrative	66,279	7,262	19,255	17	3	92,817
8 Other	582	6	135	-	-	723
9 Sub-Total	211,211	18,619	609,164	31,017	(43,769)	826,242
10 Depreciation	28,837	7,242	20,141	-	-	56,220
11 Amortization of Regulatory Assets, Net	7,936	(1)	17,886	29,077	-	54,898
12 Current Income Tax	(22,497)	3,021	8,576	6,134	377	(4,389)
13 Deferred Income Tax, net	33,500	4,469	(3,436)	(8,880)	(55)	25,598
14 Investment Tax Credit Adjustments	(132)	(21)	(74)	-	-	(227)
15 Other Tax	26,610	5,577	9,670	279	5	42,141
16 Gain/Loss on Disposal of Utility Plant, Net						-
17 Total Operating Expenses	285,465	38,906	661,927	57,627	(43,442)	1,000,484
18 Net Operating Income	43,472	20,112	27,750	10,694	327	102,355
19 Less:						
20 Donations, Net-of-Tax (Note 1)	293	6	14	-	1	313
21 Return on Customers' Deposits	131	2	-	-	-	133
22 Net Operating Income Applicable						
23 to Rate Base	\$ 43,048	\$ 20,104	\$ 27,736	\$ 10,694	\$ 326	\$ 101,909

24 Note 1: Calculated as [(1-tax rate) \* pre-tax amount]

25 Donations, pre-tax (a)	492	10	23	-	2	527
26 (1-tax rate) = (1-.40.525%) (b)	59.48%	59.48%	59.48%	59.48%	59.48%	59.48%
27 Donations, net-of-tax (a)*(b)	293	6	14	-	1	313

28 (1) Includes Retail Transmission which is tracked by the TCAM.

29 Amounts shown above may not add due to rounding.

000081

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
OPERATING INCOME STATEMENT  
(Thousands of Dollars)

Twelve Months Ended December 31, 2007

	Delivery (1)	Transmission	Generation	Regulatory	Other/ Eliminations	Total
1 Operating Revenues	\$ 299,886	\$ 46,531	\$ 629,549	\$ 124,219	\$ (25,207)	\$ 1,074,978
2						
3 Production Expenses	234	-	541,201	38,251	3,377	583,063
4 Transmission Expenses	57,077	9,031	7,786	-	(28,888)	45,006
5 Distribution Expenses	42,303	(3)	-	-	1	42,301
6 Customer Accounting	18,918	-	1,054	15,637	1	35,610
7 General Administrative	67,763	6,972	20,309	37	(269)	94,812
8 Other	476	6	384	-	-	866
9 Sub-Total	186,771	16,006	570,734	53,925	(25,778)	801,658
10 Depreciation	25,780	5,819	21,616	-	-	53,215
11 Amortization of Regulatory Assets, Net	(1,513)	(1)	225	61,103	-	59,814
12 Current Income Tax	2,548	(157)	7,780	18,280	556	29,007
13 Deferred Income Tax, Net	12,716	6,597	(3,276)	(20,458)	(95)	(4,516)
14 Investment Tax Credit	(153)	(29)	(113)	-	-	(295)
15 Other Tax	25,076	4,675	9,318	425	30	39,524
16 Gain/Loss on Disposal Utility Plant, Net	-	-	-	-	-	-
17 Total Operating Expenses	251,225	32,910	606,284	113,275	(25,287)	978,407
18 Net Operating Income	48,661	13,621	23,265	10,944	80	96,571
19 Less:						
20 Donations, Net-of-Tax (Note 1)	639	7	8	-	2	655
21 Return on Customers' Deposits	304	-	-	-	-	304
22 Net Operating Income Applicable						
23 to Rate Base	\$ 47,718	\$ 13,614	\$ 23,257	\$ 10,944	\$ 78	\$ 95,612
24 Note 1: Calculated as [(1-tax rate) * pre-tax amount]						
25 Donations, pre-tax (a)	1,074	11	13	-	3	1,101
26 (1-tax rate) = (1-.40.525%) (b)	59.48%	59.48%	59.48%	59.48%	59.48%	59.48%
27 Donations, net-of-tax (a)*(b)	639	7	8	-	2	655

28 (1) Includes Retail Transmission which is tracked by TCAM.

29 Amounts shown above may not add due to rounding.

000082

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
OPERATING INCOME STATEMENT  
(Thousands of Dollars)

Twelve Months Ended December 31, 2006						
	Delivery (1)	Transmission	Generation	Regulatory	Other/ Eliminations	Total
1 Operating Revenues	\$ 259,348	\$ 40,832	\$ 673,481	\$ 196,346	\$ (29,180)	\$ 1,140,827
2 Operating Expenses						
3 Production Expenses	560	-	571,222	76,889	2,288	650,959
4 Transmission Expenses	46,903	7,776	6,105	-	(31,472)	29,312
5 Distribution Expenses	36,641	4	-	-	-	36,645
6 Customer Accounting	19,381	-	-	11,854	-	31,235
7 General Administrative	60,644	6,666	19,406	36	(450)	86,302
8 Other	431	9	200	-	1	641
9 Sub-Total	164,560	14,455	596,933	88,779	(29,633)	835,094
10 Depreciation	25,411	5,251	18,978	-	-	49,640
11 Amortization of Regulatory Assets, Net	545	(1)	27,562	74,421	-	102,527
12 Current Income Tax	7,328	3,583	18,503	31,911	181	61,506
13 Deferred Income Tax, Net	1,467	1,399	(12,675)	(12,607)	160	(22,256)
14 Investment Tax Credit	(171)	(36)	(145)	-	-	(352)
15 Other Tax	23,124	5,033	8,978	450	(87)	37,498
16 Gain/Loss on Disposal Utility Plant, Net	-	-	-	-	-	-
17 Total Operating Expenses	222,264	29,684	658,134	182,954	(29,379)	1,063,657
18 Net Operating Income	37,084	11,148	15,347	13,392	199	77,170
19 Less:						
20 Donations, Net-of-Tax (Note 1)	335	8	4	-	1	348
21 Return on Customers' Deposits	276	-	-	-	-	276
22 Net Operating Income Applicable						
23 to Rate Base	36,473	11,140	15,343	13,392	198	76,546
24 Note 1: Calculated as [(1-tax rate) * pre-tax amount]						
25 Donations, pre-tax (a)	564	13	7	-	1	585
26 (1-tax rate) = (1-.40.525%) (b)	59.48%	59.48%	59.48%	59.48%	59.48%	59.48%
27 Donations, net-of-tax (a)*(b)	335	8	4	-	1	348

28 (1) Includes Retail Transmission which is tracked by TCAM.

29 Amounts shown above may not add due to rounding.

000033





PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

PROPERTY TAXES PAID TO TOP 30 TOWNS/CITIES  
 INCLUDING THE NH STATE UTILITY TAX

(In Dollars)

	TAX YEAR ENDING		TAX YEAR ENDING		Estimated	
	March 31, 2008		March 31, 2009		TAX YEAR ENDING	
	TOWN		TOWN		March 31, 2010	
4	STATE UTILITY TAX \$	6,172,883	STATE UTILITY TAX \$	6,335,705	STATE UTILITY TAX \$	6,969,276
5	BOW	3,469,707	BOW	4,038,063	BOW	4,441,869
6	PORTSMOUTH	1,793,057	PORTSMOUTH	1,931,090	PORTSMOUTH	2,124,199
7	MANCHESTER	1,485,750	MANCHESTER	1,606,143	MANCHESTER	1,766,757
8	BERLIN	1,295,385	BERLIN	1,448,111	BERLIN	1,592,922
9	LONDONDERRY	1,080,502	NASHUA	1,155,412	NASHUA	1,270,953
10	NASHUA	1,062,557	LONDONDERRY	1,109,003	LONDONDERRY	1,219,903
11	HUDSON	779,551	HUDSON	968,604	HUDSON	1,065,465
12	HOOKSETT	640,812	HOOKSETT	800,802	HOOKSETT	880,882
13	NEWINGTON	571,951	NEWINGTON	597,837	NEWINGTON	657,621
14	KEENE	547,807	KEENE	567,007	KEENE	623,708
15	HILLSBORO	454,301	HILLSBORO	488,306	HILLSBORO	537,136
16	DEERFIELD	419,067	DEERFIELD	486,963	DEERFIELD	535,659
17	BEDFORD	396,816	ROCHESTER	468,041	ROCHESTER	514,845
18	ROCHESTER	396,496	AMHERST	464,880	AMHERST	511,368
19	DOVER	386,795	WEARE	449,563	WEARE	494,519
20	FRANKLIN	381,974	DOVER	415,399	DOVER	456,939
21	HINSDALE	350,566	BEDFORD	402,395	BEDFORD	442,635
22	GOFFSTOWN	319,174	FRANKLIN	381,965	FRANKLIN	420,162
24	AMHERST	300,249	HINSDALE	355,154	HINSDALE	390,670
25	MERRIMACK	296,235	PEMBROKE	341,729	PEMBROKE	375,902
26	DERRY	282,149	GOFFSTOWN	339,374	GOFFSTOWN	373,311
27	TAMWORTH	260,376	DERRY	329,851	DERRY	362,836
28	LACONIA	247,323	MERRIMACK	323,009	MERRIMACK	355,310
29	WINCHESTER	244,469	TAMWORTH	284,178	TAMWORTH	312,596
30	CLAREMONT	233,672	BRENTWOOD	265,514	BRENTWOOD	292,065
31	PEMBROKE	231,818	LACONIA	259,401	LACONIA	285,341
32	NEW HAMPTON	229,018	CLAREMONT	257,987	CLAREMONT	283,786
33	GORHAM	214,337	WINCHESTER	248,292	WINCHESTER	273,121
34	CHESTER	209,708	GORHAM	245,525	GORHAM	270,078
35	TOTAL	\$ 24,754,505	TOTAL	\$ 27,365,304	TOTAL	\$ 30,101,834

000084

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

LEASED PROPERTY TAXES PAID

(In Dollars)

		TAX YEAR ENDING		TAX YEAR ENDING		Estimated
	TOWN	March 31, 2008	TOWN	March 31, 2009	TOWN	TAX YEAR ENDING
						March 31, 2010
4	MANCHESTER	\$ 43,514	MANCHESTER	\$ 46,584	MANCHESTER	\$ 51,242
5	KEENE	33,589	KEENE	35,686	KEENE	39,254
6	ROCHESTER	28,490	DERRY	30,468	DERRY	33,514
7	EPPING	24,526	EPPING	24,727	EPPING	27,199
8	BERLIN	24,103	BERLIN	23,902	BERLIN	26,292
9	DERRY	21,124	ROCHESTER	17,693	ROCHESTER	19,462
10	LANCASTER	13,936	NEWPORT	14,593	NEWPORT	16,052
11	NEWPORT	13,350	MILFORD	13,545	MILFORD	14,899
12	MILFORD	12,750	LANCASTER	12,902	LANCASTER	14,192
13	TAMWORTH	11,387	TAMWORTH	12,174	TAMWORTH	13,391
14						
15	TOTAL	<u>\$ 226,769</u>	TOTAL	<u>\$ 232,272</u>	TOTAL	<u>\$ 255,499</u>

16 Amounts shown above may not add due to rounding.

000085





PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
TOTAL DISTRIBUTION AND RETAIL TRANSMISSION  
SUMMARY OF PROFORMA ADJUSTMENTS TO THE INCOME STATEMENT

(Thousands of Dollars)

		OPERATING REVENUES	OPERATING EXPENSES	DEPRECIATION	AMOR OF REGULATORY ASSETS NET	CURRENT FEDERAL INCOME TAX	DEFERRED FEDERAL INCOME TAX	INVESTMENT TAX CREDIT ADJUSTMENTS	OTHER TAX	(GAIN)/LOSS ON DISP	NET OPERATING INCOME	NHPUC APPROVED ADJUSTMENTS	NOI APPLICABLE TO RATE BASE	
1	ACTUAL 12/31/2008	Reference	259,599	143,997	28,837	6,011	(21,888)	32,792	(132)	26,610	0	43,372	(424)	42,948
2	INCOME STATEMENT PROFORMAS													
3	Special Pricing Revenue	pg. 2	(93)								(93)		(93)	
4	Billed Retail Distribution Revenue	pg. 3	(194)								(194)		(194)	
5	Field Collection Revenues	pg. 4	512								512		512	
6	Uncollectible Expense	pg. 5		(522)							522		522	
7	Verizon Out-of-Period O&M Credit	pg. 6		375							(375)		(375)	
8	Tilton Area Work Center O&M Costs	pg. 7		(680)							680		680	
9	Amortization of Software Maintenance Agreement	pg. 8		75							(75)		(75)	
10	Postage Expense	pg. 9		83							(83)		(83)	
11	Payroll Expense	pg. 10		2,128					208		(2,336)		(2,336)	
12	Other Post Employment Benefits (OPEB)	pg. 11		168							(168)		(168)	
13	Pension Expense	pg. 12		3,160							(3,160)		(3,160)	
14	Property Tax	pg. 13							3,390		(3,390)		(3,390)	
15	Medical Expense	pg. 14		718							(718)		(718)	
16	Hydro Quebec Support	pg. 15		565							(565)		(565)	
17	RRB Servicing Fees	pg. 16		176							(176)		(176)	
18	Environmental Remediation Costs	pg. 17			254						(254)		(254)	
19	Storm Reserve	pg. 18		2,700							(2,700)		(2,700)	
20	Rent Expense	pg. 19		267							(267)		(267)	
21	FairPoint Billing	pg. 20		(579)							579		579	
22	Current and Deferred Income Taxes	pg. 22				(11,749)	2,386				9,363		9,363	
23														
24														
25														
26														
27														
28														
29	TOTAL REVENUE & EXPENSE ADJUSTMENTS		225	8,633	0	254	(11,749)	2,386	0	3,598	0	(2,896)	0	(2,896)
30	RATE BASE - RELATED PROFORMAS													
31	Plant Additions	pg. 21			9,843						(9,843)		(9,843)	
32	TOTAL PROFORMA ADJUSTMENTS		225	8,633	9,843	254	(11,749)	2,386	0	3,598	0	(12,739)	0	(12,739)
33	TOTAL AS PROFORMED		259,824	152,630	38,680	6,265	(33,637)	35,178	(132)	30,208	0	30,633	(424)	30,209
			+	-	-	-	-	-	-	-	=	+	=	

30 Amounts shown above may not add due to rounding.

000035

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT

SPECIAL PRICING REVENUE

(Thousands of Dollars)

1 Purpose and Description:

- 2 Decrease Distribution operating revenues to reflect special pricing arrangements which  
3 will terminate and revert to billing under standard tariff rates by December 31, 2009  
4 (within twelve months of the end of the test year).

\$ (93)

000087

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
 PROFORMA ADJUSTMENT - SUPPORTING SCHEDULE

SPECIAL PRICING REVENUE

(In Dollars)

- 1 Special Pricing Arrangements which will expire by December 31, 2009.  
 2 Proforma Adjustment to state Distribution Revenue at Standard Tariff Rate level.

	(1)	(2)	(3)	(4)	(5)
			<u>Distribution Revenue at:</u>		
	Standard	Annual	Standard	Average	
	Tariff	Billing	Tariff	Retail	
	Distribution	Determinant	Rates	Rate	Proforma
	<u>Charge</u>	<u>Determinant</u>	<u>Rates</u>	<u>Rate</u>	<u>Adjustment</u>
<b>9 General Service Rate G</b>					
10 Three-phase customer charge	\$ 20.13	\$ 88.00	\$ 1,771.44		
11 Load charge (over 5 KW)	6.09	6,516.00	39,682.44		
12 First 500 KWH	0.05	42,300.00	2,131.50		
13 Next 1,000 KWH	0.01	79,140.00	988.46		
14 All additional KWH	0.00	1,039,880.00	4,596.27		
15			\$ 49,170.11	\$ 35,071.86	\$ 14,098.24
<b>16 Primary General Service Rate GV</b>					
17 Customer charge	\$ 135.51	\$ 93.00	\$ 12,602.43		
18 First 100 KW	3.75	9,007.00	33,776.25		
19 All additional KW	3.45	20,614.00	71,118.30		
20 First 200,000 KWH	0.01	5,993,663.00	36,561.34		
21 All additional KWH	0.01	-	-		
22			\$ 154,058.32	\$ 181,008.62	\$ (26,950.30)
<b>23 Large General Service Rate LG</b>					
24 Customer charge	\$ 411.86	\$ 32.00	\$ 13,179.52		
25 Demand charge	3.32	43,272.00	143,663.04		
26 On-peak KWH	0.00	5,699,163.00	20,801.94		
27 Off-peak KWH	0.00	3,141,368.00	9,644.00		
28			\$ 187,288.50	\$ 266,984.04	\$ (79,695.53)
<b>29 Total, all classes</b>			<u>\$ 390,516.93</u>	<u>\$ 483,064.52</u>	<u>\$ (92,547.59)</u>

- 30 (1) Distribution rate level effective July 1, 2008.  
 31 (2) Aggregate billing determinants for all customers whose special pricing will terminate by December 31, 2009.  
 32 (3) Column (1) x Column (2).  
 33 (4) Under the terms of the Restructuring Settlement, the distribution revenue from special pricing arrangements is imputed  
 34 at the overall retail average distribution rate. The retail average rate as of July 1, 2008 was 3.020 ¢/KWH.  
 35 (5) Equal to Column (3) minus Column (4).

000088

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT

BILLED RETAIL DISTRIBUTION REVENUE

(Thousands of Dollars)

1 Purpose and Description:

- 2 PSNH's retail Distribution rates decreased on July 1, 2008. This adjustment states  
3 retail revenues at the July 1, 2008 rate level for the entire year.

\$ (194)

000089

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT

FIELD COLLECTION REVENUES

(Thousands of Dollars)

1 Purpose and Description:

- 2 To increase Distribution Miscellaneous Operating Revenue  
3 that were mistakenly booked to the wrong segment from January - July 2008.

\$ 512

000090

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT

UNCOLLECTIBLE EXPENSE

(Thousands of Dollars)

1 Purpose and Description:

2 Decrease test year operating expense for Uncollectible Expense  
3 due to the decrease in allocation to the Distribution Segment.

\$ (522)

000091

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
PROFORMA ADJUSTMENT - SUPPORTING SCHEDULE

UNCOLLECTIBLE EXPENSE

(Thousands of Dollars)

		PSNH <u>Total Company</u>	Distribution <u>Segment</u>
1	Total PSNH 2009 Uncollectible Expense based	\$ 6,270	\$ 2,195
2	based on revised allocation of 35% to Distribution		
3	Less the amount recorded in the test year	<u>5,661</u>	<u>2,717</u>
4	based on allocation of 48% to Distribution.		
5	Decrease in Uncollectible Expense		<u>\$ (522)</u>
6	Amounts shown above may not add due to rounding.		

000092



PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT

VERIZON OUT-OF-PERIOD O&M CREDIT ASSOCIATED WITH TREE TRIMMING

(Thousands of Dollars)

1 Purpose and Description:

- 2 To eliminate the non-recurring out-of-period O&M credit associated with  
3 the reimbursement for tree trimming costs from Verizon.

\$ 375

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT

TILTON AREA WORK CENTER (O&M) COSTS

(Thousands of Dollars)

1 Purpose and Description:

- 2 To eliminate non-recurring O&M costs associated with the fire damage  
3 at the Tilton Area Work Center in 2008.

\$ (680)

000094

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT

AMORTIZATION OF SOFTWARE MAINTENANCE AGREEMENT

(Thousands of Dollars)

1 Purpose and Description:

2 Amortization of contract costs associated with call center  
3 technology software support and maintenance.

\$ 75

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT - SUPPORTING SCHEDULE

AMORTIZATION OF SOFTWARE MAINTENANCE AGREEMENT

(Thousands of Dollars)

1 Prepaid software and maintenance agreement to support call center technology.	<u>\$ 270</u>
2 Annual Amortization over 3 years (line 1 divided by 3)	\$ 90
3 Less: 2 months amortization booked in test year.	<u>15</u>
4 Call Center software maintenance adjustment	<u>\$ 75</u>

5 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT

POSTAGE EXPENSE INCREASE

(Thousands of Dollars)

1 Purpose and Description:

- 2 Increase test year operating expense for higher postage expense  
3 effective 5/12/08 and 5/11/09.

\$ 83

000097

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT - SUPPORTING SCHEDULE

POSTAGE EXPENSE INCREASE

(Thousands of Dollars)

			<u>Postage Exp. Increase</u>
1	PSNH 1/01/08 to 5/11/08 test year postage expense	\$ 748	
2	Postal rate increase of 4.5% effective 5/12/08	<u>4.5%</u>	\$ 34
3	PSNH 5/12/08 to 12/31/08 test year postage expense	\$ 1,456	
4	Postal rate increase of 3.4% effective 5/11/09	<u>3.4%</u>	<u>50</u>
5	Total increase in postage expense		<u>\$ 83</u>

6 Amounts shown above may not add due to rounding.

000098

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT

PAYROLL EXPENSE

(Thousands of Dollars)

1	Purpose and Description:	
2	To adjust test year payroll expense to reflect the impact of retirements,	
3	annualization of new employee salaries, and to reflect pay increases for exempt,	
4	non-exempt employees and union employees, along with payroll-related overheads.	
5	Increase operating expenses to reflect an increase in payroll expense to be incurred	
6	during the twelve months ending December 31, 2009 to fully reflect annual base	
7	payroll at December 31, 2008 in payroll expense for the entire year, net of	\$ 1,373
8	retirements which occurred in the test year ended December 31, 2008.	
9	Increase operating expenses to reflect additional base payroll expense to be	
10	incurred during the twelve months ending December 31, 2009 as a result of	
11	estimated wage increases to be granted to individuals employed as of,	
12	December 31, 2008 during the year immediately following the test year.	755
13	Total adjustment to test year payroll exclusive of overheads	\$ 2,128
14	Overheads:	
15	Payroll taxes at 1.85% (L13 x 1.85%)	39
16	Payroll taxes at 7.92% (L13 x 7.52%)	169
17	Total test year proforma increase to operating expenses	\$ 2,336

000099

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
 DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT - SUPPORTING SCHEDULE

DISTRIBUTION PAYROLL

(Thousands of Dollars)

Twelve Months Ended: December 31, 2008			
	Actual	Pro Forma Adjustments	Pro Forma Test Year
1 <u>Operation</u>			
2     Distribution	8,196	291	8,487
3     Customers' Accounting	12,316	637	12,953
4     Customer Service & Information	1,823	52	1,875
5     Energy Applications	85	(1)	84
6     Administration & General	22,276	638	22,914
7			
8     Total Operations	44,696	1,617	46,313
9 <u>Maintenance</u>			
10    Distribution	13,196	472	13,668
11    Administration & General	210	9	219
12    Total Maintenance	13,406	481	13,887
13    Allocation of Payroll Charged to			
14    Clearing Accounts	806	30	836
15    Total Payroll Charged to Expenses	58,908	2,128	61,036
16 <u>Construction</u>			
17    Electric Plant	25,716	481	26,197
18    Other	-	-	-
19 <u>Plant Removal</u>			
20    Electric Plant	2,818	62	2,880
21    Other	-	-	-
22 <u>Other Accounts</u>	1,459	38	1,497
23    Total Distribution Payroll	\$ 88,901	\$ 2,709	\$ 91,610

24    Amounts shown above may not add due to rounding.

000100



PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT

OTHER POST EMPLOYMENT BENEFITS (OPEB)

(Thousands of Dollars)

1 Purpose and Description:

2 Increase test year OPEB expense based on most current actuarial studies.

\$ 168

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT - SUPPORTING SCHEDULE

OTHER POST EMPLOYMENT BENEFITS (OPEB)

(Thousands of Dollars)

	<u>PSNH</u> <u>Total Company</u>	<u>Distribution</u> <u>Segment</u>
1 Total PSNH 2009 OPEB	\$ 8,967	\$ 6,205
2 Less the amount recorded in the test year	<u>8,512</u>	<u>5,953</u>
3 Total Adjustment		252
4 Expense portion - based on the PSNH		
5 test year payroll capital/expense split		66.63%
6 Increase in OPEB expense		<u>\$ 168</u>
7 Amounts shown above may not add due to rounding.		

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT

PENSIONS

(Thousands of Dollars)

1 Purpose and Description:

- 2 Increase test year pension expense based on most current actuarial studies and budget data.

\$ 3,160

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PRO FORMA ADJUSTMENT--SUPPORTING SCHEDULE

PENSIONS

(Thousands of Dollars)

		PSNH <u>Total Company</u>	Distribution <u>Segment</u>
1	Total PSNH 2009 Pension Costs	\$ 27,644	\$ 20,312
2	Less amount recorded in Test Year	<u>21,805</u>	<u>15,570</u>
			4,742
3	Expense portion - based on the PSNH		
4	test year payroll capital/expense split		<u>66.63%</u>
5	Increase in pension expense		<u>\$ 3,160</u>
6	Amounts shown above may not add due to rounding.		

000104

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT

PROPERTY TAXES

(Thousands of Dollars)

1 Purpose and description:

- 2 Increase test year operating expense for higher levels  
3 of property tax expense based on 2009 property tax levels.

\$ 3,390

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT - SUPPORTING SCHEDULE

PROPERTY TAXES

(Thousands of Dollars)

	PSNH <u>Total Company</u>	Distribution <u>Segment</u>
1 Property tax expense for 2009	\$ 41,030	\$ 25,939
2 Less amount recorded in test year	<u>35,670</u>	<u>22,549</u>
3 Total Adjustment		<u>\$ 3,390</u>

4 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT

MEDICAL COSTS

(Thousands of Dollars)

1 Purpose and Description:

2 Increase test year operating expenses based on information supplied  
3 by the Company's actuaries.

\$ 718

000107

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE  
PROFORMA ADJUSTMENT - SUPPORTING SCHEDULE

MEDICAL COSTS

(Thousands of Dollars)

	<u>PSNH Total Company</u>	<u>Distribution Segment</u>
1 Total PSNH 2009 medical expense based on	\$ 16,863	\$ 11,659
2 most current actuarial values.		
3 Less amount recorded in test year	<u>15,300</u>	<u>10,582</u>
		\$ 1,077
4 Portion to expense based on PSNH test year		
5 payroll capital / expense split		<u>66.63%</u>
6 Increase in medical expense		<u>\$ 718</u>

7 Amounts shown above may not add due to rounding.

000108



PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT

HYDRO QUEBEC SUPPORT COSTS

(Thousands of Dollars)

1 Purpose and Description:

2 To increase test year operating expense to reflect  
3 2009 Hydro Quebec Costs

\$ 565

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT - SUPPORTING SCHEDULE

HYDRO QUEBEC SUPPORT COSTS

(Thousands of Dollars)

	PSNH Distribution
1 Total Hydro Quebec support expense for 2009	\$ 5,198
2 Less amount recorded in test year	<u>4,633</u>
3 Total adjustment	<u>\$ 565</u>

4 Amounts shown above may not add due to rounding.

000110

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT

RATE REDUCTION BOND (RRB) SERVICING FEES

(Thousands of Dollars)

1	Purpose and Description:	
2	Increase test year operating expenses for the decrease in RRB servicing	
3	fee revenues under the terms of the Restructuring Agreement.	
4	RRB servicing fee revenues are credited to distribution revenue requirements.	<u>\$ 176</u>

000111

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
 DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT - SUPPORTING SCHEDULE

RATE REDUCTION BOND SERVICING FEES

(Thousands of Dollars)

	Date	RRB1 Principal (a)	Servicing Fee (b)
1	Jan-09	\$ 235,139	\$ 49
2	Feb-09	223,861	47
3	Mar-09	223,861	47
4	Apr-09	223,861	47
5	May-09	211,971	44
6	Jun-09	211,971	44
7	Jul-09	211,971	44
8	Aug-09	200,624	42
9	Sep-09	200,624	42
10	Oct-09	200,624	42
11	Nov-09	188,113	39
12	Dec-09	188,113	39
13	Jan-10	188,113	39
14	Feb-10	176,151	37
15	Mar-10	176,151	37
16	Apr-10	176,151	37
17	May-10	163,546	34
18	Jun-10	163,546	34
19	Jul-10	163,546	34
20	Aug-10	151,479	32
21	Sep-10	151,479	32
22	Oct-10	151,479	32
23	Nov-10	138,247	29
24	Dec-10	138,247	29
25		<b>Total</b>	<b>\$ 929</b>
26		<b>2 Year Average</b>	<b>\$ 464</b>
27		<b>Test Year Amount</b>	<b>\$ 640</b>
28		<b>Total Adjustment (line 27-line 26)</b>	<b>\$ 176</b>

29 (a) RRB1 consists of 3 separate tranches beginning April 2001. The remaining  
 30 RRB2 bonds were paid in full in February 2008.

31 (b) Annual servicing fee of 0.25% of the outstanding principal balance per page 28  
 32 of Order No. 23,550: PSNH Proposed Restructuring Settlement,  
 Order Addressed Financing Issues.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT

AMORTIZATION OF DEFERRED ENVIRONMENTAL REMEDIATION COSTS

(Thousands of Dollars)

1 Purpose and Description:

2 Amortization of deferred environmental remediation costs  
3 for environmental remediation costs deferred after June 30, 2007.

\$ 254

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT - SUPPORTING SCHEDULE

AMORTIZATION OF DEFERRED ENVIRONMENTAL REMEDIATION COSTS

(In Dollars)

1	Balance of Account 182.EV at 12/31/2008	\$ 761,198
		<hr/>
2	Annual amortization over 3 years (line 1/3)	<u><u>\$ 253,733</u></u>

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT

MAJOR STORMS RESERVE

(Thousands of Dollars)

1 Purpose and Description:

- 2 To increase test year operating expenses reflecting a proposed  
3 increase in the major storms reserve.

\$ 2,700

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT - SUPPORTING SCHEDULE

MAJOR STORMS RESERVE  
(Thousands of Dollars)

	Distribution Segment
1 Average major storm costs (1)	\$ 4,400
2 Less allowed major storms cost in rates	<u>1,700</u>
3 Total adjustment	<u>\$ 2,700</u>

4 (1) Based on PSNH's four-year average of major storms for 2004 - 2007 as follows:

5	2007	\$ 11,277
6	2006	4,170
7	2005	2,201
8	2004	-
9		<u>\$ 17,648</u>
10	Average rounded to \$100k	<u>\$ 4,400</u>

11 Amounts shown above may not add due to rounding.

000116



PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT

RENTS

(Thousands of Dollars)

1 Purpose and Description:

2 To increase test year operating expense for PSNH's share of the  
3 increased rent costs for Corporate Center facilities

\$ 267

000117

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT - SUPPORTING SCHEDULE

RENTS

(Thousands of Dollars)

	Distribution Segment
1 Total rent costs for 2009	\$ 1,410
2 Less amount recorded in test year	<u>1,144</u>
3 Total Adjustment	<u>\$ 267</u>

4 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT

FAIRPOINT O&M CREDIT ASSOCIATED WITH TREE TRIMMING

(Thousands of Dollars)

1 Purpose and Description:

- 2 To decrease test year operating expenses to reflect the  
3 billing for shared maintenance work costs to FairPoint.

\$ (579)

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT - SUPPORTING SCHEDULE

FAIRPOINT O&M CREDIT ASSOCIATED WITH TREE TRIMMING

(Thousands of Dollars)

	Distribution Segment
1 Budgeted 2009 O&M credit from FairPoint	\$ (1,500)
2 Less O&M credit recorded in test year	(921)
3 Total adjustment	<u>\$ (579)</u>

4 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

PROFORMA ADJUSTMENT

DEPRECIATION EXPENSE - PLANT ASSETS

(Thousands of Dollars)

Distribution  
Segment

1 Purpose and Description:

- 2 Increase to depreciation expense from actual test year levels for the 12  
3 months ended December 31, 2009 based on technical adjustments to the  
4 depreciation calculation and net capital additions.

\$ 9,843

000121

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

PROFORMA ADJUSTMENT - SUPPORTING SCHEDULE

DEPRECIATION

(Thousands of Dollars)

		<u>Distribution Segment</u>	<u>Reference</u>
1	Increases to depreciation expense from actual test year levels for the twelve months ended December 31, 2009:		
2	Capital additions placed in service during 2009 based upon currently approved depreciation rates	\$ 1,236	Note (a)
3	Annualization of depreciation based upon plant balances at December 31, 2008 at currently approved rates	2,595	Note (b)
4	Adjustment to depreciation expense from Capital Recovery Calculation (CRC) adjustments to depreciation rates	5,760	Note (b)
5	Capital additions placed in service during 2009 based upon the difference between currently approved		
6	depreciation rates and depreciation rates developed out of the CRC	<u>253</u>	Note (c)
7	Total increase to depreciation expense for the year ended December 31, 2009	<u>\$ 9,843</u>	

8 Notes:

- 9 (a) See page 21b for additional information.  
 10 (b) See "Standard Filing Requirements Puc 1604.01(a) (12)" for additional information.  
 11 (c) See page 21c for additional information.  
 12 Amounts shown above may not add due to rounding

000122

**DEPRECIATION EXPENSE BASED ON CURRENTLY ALLOWED DEPRECIATION RATES - 2009 CAPITAL ADDITIONS**

Annual depreciation expense for 2009 capital additions, using currently approved depreciation rates.

**1,236,349**

000123

## PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

## DEPRECIATION PRO FORMA ADJUSTMENT - SUPPORTING SCHEDULE

## INCREMENTAL DEPRECIATION EXPENSE BASED ON PROPOSED CRC DEPRECIATION RATES - 2009 CAPITAL ADDITIONS

	Incremental Depreciation Rates (1)	Net Capital Additions 1st Quarter 2009	1 Qtr of the Depreciation Exp. Related to Cap Adds 1st Quarter 2009	Net Capital Additions 2nd Quarter 2009	1 Qtr of the Depreciation Exp. Related to Cap Adds 2nd Quarter 2009	Net Capital Additions 3rd Quarter 2009	1 Qtr of the Depreciation Exp. Related to Cap Adds 3rd Quarter 2009	Net Capital Additions 4th Quarter 2009	1 Qtr of the Depreciation Exp. Related to Cap Adds 4th Quarter 2009	Cumulative Capital Additions 4th Quarter 2009
<b>Distribution</b>										
360 Land and Land Rights-no depreciation		17,000	-	46,000	-	22,000	-	35,000	-	120,000
361 Structures and Improvements	0.838%	-	-	-	-	-	-	-	-	-
362 Station Equipment	0.720%	2,456,000	4,421	7,762,000	18,395	3,050,000	23,886	4,898,000	32,703	18,166,000
363 Storage Battery Equipment	0.000%	-	-	-	-	-	-	-	-	-
364 Poles, Towers and Fixtures	1.425%	1,615,000	5,754	4,158,000	20,569	1,983,000	27,635	3,130,000	38,787	10,886,000
365 Overhead Conductors and Devices	-0.280%	3,556,000	(2,486)	9,198,000	(8,915)	4,373,000	(11,972)	6,917,000	(16,807)	24,044,000
366 Underground Conduit	-0.057%	141,000	(20)	376,000	(74)	175,000	(99)	281,000	(139)	973,000
367 Underground Conductors and Devices	-0.515%	942,000	(1,212)	2,516,000	(4,448)	1,170,000	(5,953)	1,879,000	(8,370)	6,807,000
368 Line Transformers	0.750%	1,350,000	2,532	3,605,000	9,294	1,677,000	12,440	2,693,000	17,491	9,325,000
369 Services - Overhead	0.345%	775,000	669	2,068,000	2,453	962,000	3,283	1,545,000	4,616	5,350,000
370 Meters	-0.441%	258,000	(282)	683,000	(1,035)	318,000	(1,385)	511,000	(1,948)	1,768,000
371 Installation on Customer Premises	-1.849%	64,000	(298)	172,000	(1,091)	80,000	(1,461)	128,000	(2,053)	444,000
372 Leased Property on Customer Premises	0.000%	-	-	-	-	-	-	-	-	-
373 Street Lighting and Signal Systems	-2.658%	29,000	(193)	76,000	(698)	35,000	(930)	57,000	(1,309)	197,000
Total		11,201,000	8,889	30,660,000	34,451	13,845,000	45,444	22,074,000	62,973	77,780,000
<b>Transmission</b>										
350 Land and Land Rights	-	-	-	-	-	-	-	-	-	-
352 Structures and Improvements	-	-	-	-	-	-	-	-	-	-
353 Station Equipment	-	-	-	-	-	-	-	-	-	-
354 Towers and Fixtures	-	-	-	-	-	-	-	-	-	-
355 Poles and Fixtures	-	-	-	-	-	-	-	-	-	-
356 Overhead Conductors and Devices	-	-	-	-	-	-	-	-	-	-
357 Underground Conduit	-	-	-	-	-	-	-	-	-	-
358 Underground Conductors and Devices	-	-	-	-	-	-	-	-	-	-
359 Roads and Trails	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
<b>General Plant</b>										
389 Land and Land Rights	-	-	-	-	-	-	-	-	-	-
390 Structures and Improvements	1.046%	56,000	146	148,000	533	69,000	714	111,000	1,004	384,000
391 Office Furniture and Equipment	-0.895%	111,000	(248)	297,000	(913)	138,000	(1,222)	222,000	(1,719)	768,000
392 Transportation Equipment	-11.939%	-	-	-	-	-	-	-	-	-
393 Stores Equipment	2.305%	-	-	-	-	-	-	-	-	-
394 Tools, Shop and Garage Equipment	4.072%	82,000	835	219,000	3,064	102,000	4,103	163,000	5,762	566,000
395 Laboratory Equipment	1.530%	-	-	-	-	-	-	-	-	-
396 Power Operated Equipment	0.000%	-	-	-	-	-	-	-	-	-
397 Communication Equipment	4.750%	193,000	2,292	515,000	8,407	239,000	11,245	384,000	15,805	1,331,000
398 Miscellaneous Equipment	6.187%	-	-	-	-	-	-	-	-	-
Total		442,000	3,025	1,179,000	11,092	548,000	14,839	880,000	20,852	3,049,000
<b>Intangible</b>										
301 Organization	-	-	-	-	-	-	-	-	-	-
302 Franchises and Consents	-	-	-	-	-	-	-	-	-	-
303 Miscellaneous Intangible Plant	4.242%	292,000	3,097	781,000	11,379	363,000	15,229	583,000	21,411	2,019,000
Total		292,000	3,097	781,000	11,379	363,000	15,229	583,000	21,411	2,019,000
Total Plant		11,935,000		32,620,000		14,756,000		23,537,000		82,848,000
Depreciation Expense per Quarter			15,010		56,922		75,612		105,236	

Note (1): The incremental depreciation rates shown were calculated based on the difference between the currently approved depreciation rates and depreciation rates that were recalculated as a result of a technical update to depreciation rates in the Capital Recovery Recalculation. See page-d for the calculations supporting the incremental depreciation rates shown above. For additional information, and documentation supporting the CRC, please see "Standard Filing Requirements Puc 1604.01(a) (12)" which is included in this rates filing.

Annual depreciation expense for 2009 capital additions, calculated using the difference between currently approved rates, and the CRC adjusted rates.

252,680



PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DEPRECIATION PRO FORMA ADJUSTMENT - SUPPORTING SCHEDULE  
CALCULATION OF INCREMENTAL DEPRECIATION RATES (1)

		Total Proposed Depreciation Rates (1)	Total Currently Approved Depreciation Rates(1)	Difference Proposed Rate Less Currently Approved Rates
A	B	I	L	(I-L)
Asset Account	Account Name			Incremental Depreciation Rate
Distribution	361 Structures and Improvements	1.818%	0.980%	0.838%
	362 Station Equipment	2.000%	1.280%	0.720%
	364 Poles, Towers and Fixtures	3.205%	1.780%	1.425%
	365 Overhead Conductors and Devices	3.200%	3.480%	-0.280%
	366 Underground Conduit	1.603%	1.660%	-0.057%
	367 Underground Conductors and Devices	2.806%	3.320%	-0.515%
	368 Line Transformers	2.500%	1.750%	0.750%
	369.32 Services Overhead	2.805%	2.460%	0.345%
	369.07 Services-Direct Burial	2.805%	2.460%	0.345%
	370 Meters	2.819%	3.260%	-0.441%
	371 Installations on Customers Premises	5.911%	7.760%	-1.849%
	373 Street Lighting and Signal Systems	4.982%	7.640%	-2.658%
General Plant	390 Structures and Improvements	1.486%	0.440%	1.046%
	391.1 Office Furniture and Fixtures-System	3.635%	4.530%	-0.895%
	391.2 Office Furniture and Fixtures-PC's	8.384%	13.410%	-5.026%
	392 Transportation-Auto's	4.452%	16.390%	-11.939%
	393 Stores equipment	2.205%	-0.100%	2.305%
	394 Tools, Shop and Garage Equipment	2.472%	-1.600%	4.072%
	395 Laboratory Equipment	2.210%	0.680%	1.530%
	397.1 Communication Equipment Microwave	4.694%	-0.340%	5.034%
	397.2 Communication Equipment Miscellaneous	4.730%	-0.020%	4.750%
Intangible Plant	398 Miscellaneous	3.597%	-2.590%	6.187%
	303.92 10yr Plant Intangible Plant	10.571%	10.000%	0.571%
	303.93 Misc. Intangible Plant	24.242%	20.000%	4.242%

Note (1): The incremental depreciation rates were calculated based on the difference between the currently approved depreciation rates (Column L above) and depreciation rates that were recalculated as a result a technical update to depreciation rates in the Capital Recovery Recalculation (column I above). These column references refer back to the supporting documentation and calculations in the CRC supporting schedule that has been included in "Standard Filing Requirements Puc 1604.01(a) (12)" which is included in this rate filing.

000125

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DISTRIBUTION SEGMENT RATE CASE

PROFORMA ADJUSTMENT

CURRENT AND DEFERRED INCOME TAXES

(Thousands of Dollars)

- 1 Purpose and Description:
- 2 Adjust both Current and Deferred income taxes based on
- 3 pro forma changes in pre-tax operating income.

4	Total decrease in Current Taxes	\$ (11,749)
5	Total increase in Deferred Taxes	\$ 2,386

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
 PROFORMA ADJUSTMENT - SUPPORTING SCHEDULE  
 CURRENT INCOME TAX  
 (Thousands of Dollars)

	Amount		
1 State taxable income	\$ (46,044)		
2 New Hampshire Business Profits Tax Effective Rate	8.5%		
3 New Hampshire Business Profits Tax (NHBPT)	\$ (3,914)		
4 Taxable income/(loss)	\$ (88,202)		
5 Less: NHBPT Tax	(3,914)		
6 Federal taxable income	(84,288)		
7 Federal Tax Rate	35%		
8 Federal Income Tax	\$ (29,501)		
9 <u>Summary</u>			
10 New Hampshire Business Profits Tax	\$ (3,914)		
11 Federal Income Tax	(29,501)		
12 Proforma current income tax expense	\$ (33,415)		
13 <u>Calculation of Adjustment</u>		Test Year	
	Proforma current	Income Tax Exp,	Adjustment to
	Income Tax Exp	12-mo. ending	Current Income
		12/31/08	Taxes
14 New Hampshire Business Profits Tax	\$ (3,914)	\$ (5,467)	\$ 1,553
15 Federal Income Tax	(29,501)	(16,198)	(13,303)
16 Adjustment to current income taxes	\$ (33,415)	\$ (21,666)	\$ (11,749)

17 This schedule excludes a \$222,000 (credit) in account 409.PM, NUSCO Permanent Income Tax Expense.

18 Amounts shown above may not add due to rounding.

000127

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
 PROFORMA ADJUSTMENT - SUPPORTING SCHEDULE

CURRENT INCOME TAX

(Thousands of Dollars)

Twelve Months Ended: December 31, 2008			
	Actual	Proforma Adjustments	Test Year as Proformed
1 Operating income before income taxes	\$ 54,365	\$ (22,104)	\$ 32,261
2 Interest deduction	19,075	2,226	21,301
3 Operating income before income taxes	35,290	(24,330)	10,960
4 Permanent/Flow through			
5 Medicare	(1,634)	0	(1,634)
6 Depreciation/Flow through-Plant	(1,282)	0	(1,282)
7 Miscellaneous	492	(522)	(30)
8	(2,424)	(522)	(2,946)
9 Additions & Deductions for calculations of income tax expense:			
10 Increased Storm Reserve accrual	(54,951)	2,700	(52,251)
11 Depreciation	(42,227)	(20,081)	(62,308)
12 Pension Related	12,912	3,160	16,072
13 Other post-employment benefits	1,017	168	1,185
14 Medical reserves/Injuries and Damages	468	718	1,186
15 Environmental reserve & deferred costs	770	0	770
16 Amort of Regulatory Assets/Liabilities	(681)	254	(427)
17 Miscellaneous	(442)	0	(442)
18	(83,135)	(13,081)	(96,217)
19 Total Deductions	\$ (85,559)	\$ (13,603)	\$ (99,162)
20 Taxable income/(Loss)	\$ (50,269)	\$ (37,933)	\$ (88,202)
21 Less: Depreciation not applicable to			
22 State taxable income	(15,497)	(26,661)	(42,158)
23 State Taxable Income/Loss	\$ (34,772)	\$ (11,272)	\$ (46,044)

24 Amounts shown above may not add due to rounding.

000128

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
PROFORMA ADJUSTMENT - SUPPORTING SCHEDULE

CURRENT INCOME TAX

(Thousands of Dollars)

	<u>Amount</u>
1 Rate base	\$ 777,118
2 Interest component of cost of capital	<u>2.741%</u>
3 Interest deduction: to Page 22b	<u>\$ 21,301</u>
4 Amounts shown above may not add due to rounding.	

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
PROFORMA ADJUSTMENT - SUPPORTING SCHEDULE  
DEFERRED INCOME TAX  
(Thousands of Dollars)

1	Test Year Deferred Income Taxes	\$ 32,792
2	Pro forma Adjustments:	
3	Adjustment of of test year deferred tax expense	
4	to reflect the appropriate level of book depreciation	
5	associated with plant addtions and depreciation accrual	
6	adjustments, net of tax depreciation.	6,665
7	Adjustment of test year deferred taxes	(1,094)
8	associated with increased storm reserve	
9	Adjustment of test year deferred taxes	
10	associated with increased pension costs	(1,281)
11	Adjustment of test year deferred taxes	
12	associated with increased medical costs	(291)
13	Adjustment of test year deferred taxes	
14	associated with increased other post	(68)
15	employment benefits costs	
16	Adjustment of test year deferred taxes	(103)
17	associated with the amortization of	
18	a new regulatory asset	
19	Adjustment to test year level of deferred taxes	
20	to remove outside provision adjustments, primarily	
	the 2007 tax year return to accrual adjustment,	
	recorded in 2008.	(1,442)
21	Total Pro forma adjustment to Deferred Income Taxes	\$ 2,386
22	Pro formed Deferred Income Taxes	\$ 35,178
23	Amounts shown above may not add due to rounding.	

000130







PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
 BALANCE SHEET - TOTAL COMPANY  
 ASSETS AND DEFERRED CHARGES

(Thousands of Dollars)

		At 12/31/2008	Test Year 5 Quarter Average
1	ELECTRIC PLANT		
2	Utility Plant, At Original Cost	\$ 2,232,474	\$ 2,111,925
3	Unfinished Construction	113,605	112,997
4	Total Electric Plant - Gross	2,346,079	2,224,922
5	Less: Accumulated Provision for Depreciation	833,152	822,295
6	Total Electric Plant - Net	1,512,927	1,402,627
7	Non-Utility Property	-	-
8	INVESTMENTS		
9	Subsidiary Companies	7,520	7,350
10	Regional Nuclear Companies	842	813
11	Other	3,298	3,819
12	Total Investments	11,660	11,982
13	CURRENT AND ACCRUED ASSETS		
14	Cash and Short-Term Investments	-	570
15	Accounts Receivable from Associated Companies	433	1,811
16	Notes Receivable and Accounts Receivable	108,718	98,591
17	Notes Receivable from Associated Companies	52,500	14,440
18	Fuel Supplies	73,769	47,884
19	Other Materials and Supplies	39,351	32,838
20	Prepayments	4,483	24,428
21	Accrued Utility Revenue	41,449	45,272
22	Other Current Assets - Net	-	2,644
23	Total Current and Accrued Assets	320,703	268,478
24	Special Deposits	927	1,583
25	Deferred Charges	651,617	493,896
26	Total Assets and Deferred Charges	\$ 2,497,836	\$ 2,178,567
27	Amounts shown above may not add due to rounding.		

000131

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
 BALANCE SHEET - TOTAL COMPANY  
 CAPITALIZATION AND LIABILITIES

(Thousands of Dollars)

	At 12/31/2008	Test Year 5 Quarter Average
1 CAPITALIZATION		
2 Common Stock and Other Paid-In Capital	\$ 350,496	\$ 307,532
3 Retained Earnings	283,219	273,307
4 Total Common Stock Equity	633,715	580,839
5 LONG-TERM DEBT		
6 Total Long-Term Debt	686,779	642,860
7 Total Capitalization	1,320,494	1,223,699
8 OTHER NONCURRENT LIABILITIES		
9 Obligations Under Capital Leases-Noncurrent	1,718	1,035
10 Total Other Noncurrent Liabilities	1,718	1,035
11 CURRENT AND ACCRUED LIABILITIES		
12 Accounts Payable	160,547	100,129
13 Accounts Payable to Associated Companies	31,397	18,802
14 Notes Payable	45,227	17,045
15 Notes Payable to Associated Companies	227,620	255,854
16 Accrued Taxes	(18,547)	(21,714)
17 Accrued Interest	9,238	9,203
18 Obligations Under Capital Leases-Current	213	183
19 Accrued Pension Benefits	236,332	161,642
20 Other Current and Accrued Liabilities	98,180	41,323
21 Total Current and Accrued Liabilities	790,207	582,467
22 Accumulated Deferred Investment Tax Credits	355	469
23 Deferred Credits	154,835	164,631
24 Operating Reserves	4,791	4,453
25 Accumulated Deferred Income Taxes	225,436	201,813
26 Total Capitalization and Liabilities	\$ 2,497,836	\$ 2,178,567

27 Amounts shown above may not add due to rounding.

000132

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
 BALANCE SHEET - TOTAL COMPANY  
 ASSETS AND DEFERRED CHARGES

(Thousands of Dollars)

		At 12/31/2007	At 12/31/2006
1	ELECTRIC PLANT		
2	Utility Plant, At Original Cost	\$ 2,004,233	\$ 1,892,924
3	Unfinished Construction	116,077	67,201
4	Total Electric Plant - Gross	2,120,310	1,960,125
5	Less: Accumulated Provision for Depreciation	807,940	800,300
6	Total Electric Plant - Net	1,312,370	1,159,825
7	Non-Utility Property	-	167
8	INVESTMENTS		
9	Subsidiary Companies	7,058	6,734
10	Regional Nuclear Companies	780	1,515
11	Other	4,194	3,979
12	Total Investments	12,032	12,228
13	CURRENT AND ACCRUED ASSETS		
14	Cash and Short-Term Investments	-	-
15	Accounts Receivable from Associated Companies	845	782
16	Notes Receivable and Accounts Receivable	97,495	86,781
17	Fuel Supplies	43,067	57,145
18	Other Materials and Supplies	29,148	27,711
19	Prepayments	9,105	2,296
20	Accrued Utility Revenue	45,607	44,433
21	Other Current Assets - Net	1,184	105
22	Total Current and Accrued Assets	226,451	219,253
23	Special Deposits	509	1,998
24	Deferred Charges	454,890	564,787
25	Total Assets and Deferred Charges	\$ 2,006,252	\$ 1,958,258
26	Amounts shown above may not add due to rounding.		

000133

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
BALANCE SHEET - TOTAL COMPANY  
CAPITALIZATION AND LIABILITIES

(Thousands of Dollars)

	At 12/31/2007	At 12/31/2006
1 CAPITALIZATION		
2 Common Stock and Other Paid-In Capital	\$ 276,338	\$ 231,347
3 Retained Earnings	261,528	236,215
4 Total Common Stock Equity	537,866	467,562
5 LONG-TERM DEBT		
6 Total Long-Term Debt	576,997	507,099
7 Total Capitalization	1,114,863	974,661
8 OTHER NONCURRENT LIABILITIES		
9 Obligations Under Capital Leases-Noncurrent	895	1,405
10 Total Other Noncurrent Liabilities	895	1,405
11 CURRENT AND ACCRUED LIABILITIES		
12 Accounts Payable	91,355	69,948
13 Accounts Payable to Associated Companies	15,764	22,694
14 Notes Payable	10,000	-
15 Notes Payable to Associated Companies	285,164	362,708
16 Accrued Taxes	(8,049)	(14,444)
17 Accrued Interest	6,192	5,183
18 Obligations Under Capital Leases-Current	246	201
19 Accrued Pension Benefits	138,346	150,634
20 Other Current and Accrued Liabilities	18,866	52,560
21 Total Current and Accrued Liabilities	557,884	649,484
22 Accumulated Deferred Investment Tax Credits	582	877
23 Deferred Credits	132,120	140,273
24 Operating Reserves	4,423	5,104
25 Accumulated Deferred Income Taxes	195,485	186,454
26 Total Capitalization and Liabilities	\$ 2,006,252	\$ 1,958,258
27 Amounts shown above may not add due to rounding.		

000134



PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

TOTAL COMPANY

DEFERRED CHARGES

(Thousands of Dollars)

1	2	FERC Account No.	Description	At 12/31/2008
3	154		Plant and Material Supplies	\$ 2,936
4	158		Emission Allowance Inventory	26,335
5	175		Derivative Instruments	3,826
6	181		Unamortized Debt Expense	7,834
7	182		Other Regulatory Assets	533,291
8	183		Preliminary Survey, Investigation and Research Charges	-
9	184		Clearing Accounts	234
10	185		Temporary Facilities	-
11	186		Miscellaneous Deferred Debits	67,108
12	189		Unamortized Loss on Reacquired Debt	10,053
13			Total	<u>\$ 651,617</u>

14 Amounts shown above may not add due to rounding.

000135

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

TOTAL COMPANY

DEFERRED CREDITS

(Thousands of Dollars)

1	FERC		At
2	<u>Account No.</u>	<u>Description</u>	<u>12/31/2008</u>
3	228	Accumulated Operating Provisions	\$ 55,344
4	229	Accumulated Provision For Rate Refunds	1,555
5	230	Asset Retirement Obligation	15,895
6	244	Derivative Instrument Liability	14,846
7	252	Customer Advances for Construction	36
8	253	Other Deferred Credits	28,596
9	254	Other Regulatory Liabilities	<u>38,563</u>
10		Total	<u>\$ 154,835</u>

11 Amounts shown above may not add due to rounding.

000136

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

TOTAL COMPANY

ACCUMULATED DEFERRED INCOME TAXES

(Thousands of Dollars)

	FERC		At
1	Account No.	Description	12/31/2008
2			
3	190	Accumulated Deferred Income Taxes (ADIT)	\$ 152,316
4	282	ADIT - Other Property	(189,808)
5	283	ADIT - Other	(187,943)
6		Total	\$ (225,435)

7 Amounts shown above may not add due to rounding.

000137



PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

PLANT HELD FOR FUTURE USE

- 1 PSNH does not have any Distribution Plant held for future use.

PUBLIC SERVICE OF NEW HAMPSHIRE  
ACCUMULATED DEPRECIATION  
DISTRIBUTION SEGMENT  
for the 12 months ended 12/31/08

(In Dollars)

1				
2		Number of	Depreciation	Retirements
3	<u>Classification of Plant</u>	<u>Items</u>	<u>Booked</u>	<u>(Depreciable Only)</u>
4	Distribution	4 Shared Substations	\$ 25,118,161	\$ 340,458
5		120 Substations		
6		12,734 Pole miles		
7	General & Other (1)		<u>3,886,429</u>	<u>5,337,024</u>
8	Total		<u>\$ 29,004,590</u>	<u>\$ 5,677,482</u>

9 (1) Includes Transportation/Stores Clearing Accrual of \$148,210.

10 Amounts shown above may not add due to rounding.

000139

PUBLIC SERVICE OF NEW HAMPSHIRE  
ACCUMULATED DEPRECIATION  
DISTRIBUTION SEGMENT  
2007

(In Dollars)

1				
2		Number of	Depreciation	Retirements
3	<u>Classification of Plant</u>	<u>Items</u>	<u>Booked</u>	<u>(Depreciable Only)</u>
4	Distribution	4 Shared Substations	\$ 21,203,411	\$ 29,855,370
5		124 Substations		
6		12,699 Pole miles		
7	General & Other (1)		<u>4,623,111</u>	<u>1,561,954</u>
8	Total		<u>\$ 25,826,522</u>	<u>\$ 31,417,324</u>

9 (1) Includes Transportation/Stores Clearing Accrual of \$89,274.

10 Amounts shown above may not add due to rounding.

000140

PUBLIC SERVICE OF NEW HAMPSHIRE  
ACCUMULATED DEPRECIATION  
DISTRIBUTION SEGMENT  
2006

(In Dollars)

1				
2		Number of	Depreciation	Retirements
3	<u>Classification of Plant</u>	<u>Items</u>	<u>Booked</u>	<u>(Depreciable Only)</u>
4	Distribution	4 Shared Substations	\$ 20,103,230	\$ (1,801,430)
5		124 Distribution Substations		
		12,364 Pole Miles		
6	General & Other (1)		<u>5,393,404</u>	<u>200,850</u>
7	Total		<u>\$ 25,496,634</u>	<u>\$ (1,600,580)</u>

8 (1) Includes Transportation/Stores Clearing Accrual of \$91,066.

9 Amounts shown above may not add due to rounding.

000141

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
DETAIL OF BALANCE SHEET - UTILITY PLANT  
DISTRIBUTION SEGMENT  
DECEMBER 31, 2008

(In Dollars)

				Accumulated Provision For Depreciation	Net Plant
	Gross	Depreciable			
1 General Plant					
2 Land and Buildings	\$ 57,973,263	\$ 54,064,114	\$ 7,101,011	\$ 50,872,252	
3 Other General Plant	51,070,474	51,070,474	30,436,423	20,634,051	
4 General Plant ARO (1)	29,952	29,952	11,554	18,398	
5 Automotive Plant	809,945	809,945	349,843	460,102	
6 Total General Plant	109,883,634	105,974,485	37,898,831	71,984,803	
7 Distribution Plant	1,077,592,344	1,073,254,221	332,906,705	744,685,639	
8 Distribution Plant ARO	310,230	310,230	116,779	193,451	
9 Other Plant	38,692,127	38,637,555	10,852,860	27,839,267	
10 Total Plant	1,226,478,336	1,218,176,491	381,775,175	844,703,161	
11 Plant Held for Future Use (Net)	-	-	-	-	
12 Property under Capital Lease	2,015,172	2,015,172	197,787	1,817,385	
13 Total Utility Plant	1,228,493,508	1,220,191,664	381,972,962	846,520,546	
14 Construction Work In Progress:					
15 Unfinished Construction (CWIP)	27,401,159	-	-	27,401,159	
16 Retirement Work in Progress	-	-	-	-	
17 (RWIP - Account 108.08)					
18 Net Utility Plant	<u>\$ 1,255,894,668</u>	<u>\$ 1,220,191,664</u>	<u>\$ 381,972,962</u>	<u>\$ 873,921,706</u>	

23 (1) Asset Retirement Obligation

24 Amounts shown above may not add due to rounding.

000142

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
 RETIREMENTS IN EACH CLASS (> \$5,000)  
 DISTRIBUTION SEGMENT  
 FOR YEAR ENDING DECEMBER 31, 2008

(In Dollars)

		Distribution Plant	General Plant	Total
1				
2				
3	Structures and Improvements	\$ 39,077	\$ 582,125	\$ 621,202
4	Station Equipment	1,410,132		1,410,132
5	Poles, Towers and Fixtures	2,177,280		2,177,280
6	Overhead Conductors and Devices	(3,665,849)		(3,665,849)
7	Underground Conduit	21,241		21,241
8	Underground Conductors and Devices	287,388		287,388
9	Line Transformers	598,279		598,279
10	Services	(3,901,884)		(3,901,884)
11	Meters	2,994,869		2,994,869
12	Installations on Customer Premises	223,364		223,364
13	Street Lighting and Signal Systems	156,561		156,561
14	Office Furniture and Equipment		209,967	209,967
15	Store Equipment		-	-
16	Tools, Shop and Garage Equipment		113,501	113,501
17	Laboratory Equipment		14,479	
18	Communication Equipment		9,272	9,272
19	Miscellaneous Equipment		23,400	23,400
20	Intangible Plant		4,408,582	4,408,582
21	Total	<u>\$ 340,458</u>	<u>\$ 5,361,326</u>	<u>\$ 5,687,305</u> (Note 1, 2, 3)

22 (Note 1) Total Distribution Depreciable Retirements equal \$340,458 for the twelve months ending 12/31/08.

23 (Note 2) Total General Plant Depreciable Retirements equal \$952,924 for the twelve months ending 12/31/08.

24 The remaining differences relate to plant accounts with total retirements below the \$5,000 scope.

25 (Note 3) Total Intangible Plant Depreciation Retirements equal \$4,408,582 for the twelve months ending 12/31/08.

26 Amounts shown above may not add due to rounding.

000143







PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

TOTAL COMPANY  
MATERIALS AND SUPPLIES

(Thousands of Dollars)

	5 quarter Average 2008	At 12/31/2007	At 12/31/2006
1			
2			
3			
4	December 31, 2007	\$ 29,148	
5	March 31, 2008	28,821	
6	June 30, 2008	32,623	
7	September 30, 2008	34,245	
8	December 31, 2008	39,351	\$ 27,711
9	Total	\$ 164,188	
10	5 - Quarter Average	\$ 32,838	

11 Amounts shown above may not add due to rounding.





PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
RATE BASE  
5 - QUARTER AVERAGE  
PERIOD ENDED DECEMBER 31, 2008

(Thousands of Dollars)

	<u>Distribution</u>
1 <u>Rate Base</u>	
2 Electric Plant In Service	\$ 1,167,679
3 Less: Accumulated Provision for Depreciation	373,648
4 Plant Held For Future Use	<u>-</u>
5 Net Utility Plant	794,031
6 Plus: Working Capital Allowance	25,741
7 Material and Supplies	6,733
8 Prepayments	1,673
9 Regulatory Assets	17,080
10 Less: Accumulated Deferred Income Taxes	110,494
11 Accumulated Investment Tax Credit	304
12 Regulatory Liabilities	7,166
13 Customer Deposits and Advances	<u>3,412</u>
14 Rate Base	<u>\$ 723,882</u>
15 Net Operating Income Applicable To Rate Base	<u>\$ 42,947</u>
16 Rate of Return	<u>5.933%</u>
17 Amounts shown above may not add due to rounding.	

000145

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
RATE BASE  
Proformed to 12/31/09

(Thousands of Dollars)

	2008 Distribution 5 QTR Average (1)	Adjustment to 12/31/08 level	Distribution at 12/31/08 (2)	2009 Proforma Adjustment (2)	Proforma Distribution at 12/31/09 (2)
1 <u>Rate Base</u>					
2 Electric Plant In Service	\$ 1,167,679	\$ 58,799	\$ 1,226,478	\$ 82,848	\$ 1,309,326
3 Less: Accum. Provision for Depreciation	373,648	8,122	381,770	38,680	420,450
4 Plant Held For Future Use	-	-	-	-	-
5 Net Utility Plant	794,031	50,677	844,708	44,168	888,876
6 Plus: Working Capital Allowance	25,741	-	25,741	1,064	26,805
7 Material and Supplies	6,733	438	7,171	-	7,171
8 Prepayments	1,673	1,070	2,743	-	2,743
9 Regulatory Asset	17,080	(855)	16,225	-	16,225
10 Less: Accum. Deferred Income Taxes	110,494	21,435	131,929	21,900	153,829
11 Accumulated Investment Tax Credit	304	(66)	238	-	238
12 Deferred Credits	7,166	330	7,496	-	7,496
13 Customer Deposits	3,412	(273)	3,139	-	3,139
15 Rate Base	<u>\$ 723,882</u>	<u>29,904</u>	<u>\$ 753,786</u>	<u>\$ 23,332</u>	<u>\$ 777,118</u>
16 Net Operating Income Applicable					
17 To Rate Base (3)	<u>\$ 42,948</u>	\$ -	<u>\$ 42,948</u>	\$ (12,739)	<u>30,208</u>
18 Rate of Return	<u>5.933%</u>		<u>5.698%</u>		<u>3.887%</u>

19 (1) Schedule 3, page 1 of 3.

20 (2) Schedule 3 Attachment, page 1 of 5, lines 1, 8 and 9.

21 (3) Schedule 1, page 1 of 5, line 23.

22 Amounts shown above may not add due to rounding.

000146

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

RATE BASE BY SEGMENT  
5 - QUARTER AVERAGE  
PERIOD ENDED DECEMBER 31, 2008

(Thousands of Dollars)

	Distribution (1)	Retail Transmission (1)	Wholesale Transmission	Generation	Regulatory	(Other) Eliminations	Total Company
1 RATE BASE							
2 Electric Plant In Service	\$ 1,167,679	\$ -	\$ 316,591	\$ 613,475	\$ -	\$ -	\$ 2,097,745
3 Less: Accumulated Provision for Depreciation	373,648	-	91,097	357,257	-	-	822,002
4 Plant Held For Future Use	-	-	4,073	-	-	-	4,073
5 Net Utility Plant	794,031	-	229,567	256,218	-	-	1,279,816
6 Androscoggin Reservoir	-	-	-	50	-	-	50
7 Plus: Working Capital Allowance	25,741	-	2,295	13,042	-	-	41,078
8 Fuel	-	-	-	47,884	-	-	47,884
9 Material and Supplies	6,733	-	5,093	48,372	-	-	60,198
10 Prepayments	1,673	-	317	1,425	12	-	3,427
11 Regulatory Asset	17,080	5,320	2,324	11,807	16,048	-	52,579
12 Less: Accumulated Deferred Income Taxes	110,494	2,123	31,172	6,026	86,865	-	236,679
13 Accumulated Investment Tax Credit	304	-	74	91	-	-	469
14 Regulatory Liabilities	7,166	-	12	39,902	26,923	-	74,003
15 Customer Deposits	3,412	-	-	-	-	-	3,412
16 Rate Base	723,882	3,197	208,338	332,780	(97,728)	-	1,170,469
17 Net Operating Income Applicable To Rate Base	\$ 42,947	\$ 101	\$ 20,104	\$ 27,736	\$ 10,694	\$ 326	101,910

18 (1) The sum of Distribution and Retail Transmission (Transmission Cost Adjustment Mechanism or TCAM) is the Delivery Segment.

19 Amounts shown above may not add due to rounding.







PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

WORKING CAPITAL ALLOWANCE

The purpose of an allowance for working capital is to include in rate base an amount reflecting the investor-supplied capital required as a result of the time intervals between the provision of service and the cash payments. If, on average, the time difference between the provision of service and the collection of revenue for that service exceeds the time difference between the receipt of service and the payment of that expense, the utility is experiencing a "net revenue receipt lag" which necessitates having cash on hand. On the other hand, if the lag in the payment of expenses is longer than the lag in collecting revenues, there is a "net expense payment lag", meaning that the collection of revenues occurs in advance of paying expenses.

The Company utilizes a modified 45-day computation for working capital, based on PSNH's average 30 day billing cycle, adjusted for donations and uncollectible accounts, before applying the 45-day factor to net operations and maintenance (O&M) expenses. Donations are added to test period O&M expense and uncollectible expenses are deducted. A 45-day factor is then applied to the net remaining O&M expenses resulting in a net working capital allowance for the test-year period ended December 31, 2008.

Use of the 45-day approach is consistent with the Commissions' requirement in PUC 1604.07(t) to use "a detailed lead-lag study or a formula based on the length of  $\frac{1}{2}$  of the utility's billing cycle plus 30 days." The 45-day approach also avoids the expenses associated with regularly performing a detailed lead-lag study and expenses associated with consultants, expert witnesses, and other costs associated with prolonged litigation, all of which are ultimately charged to rate payers.

The 45-day formula is an accepted approach, is relatively straight-forward, easy to analyze and verify, and is very cost-effective to implement. The Company has used the 45-day formula approach to arrive at its working capital allowance for the test-year ended December 31, 2008 (see Schedule 3B, page 4 of 11).





PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
ELECTRIC PLANT IN SERVICE - DISTRIBUTION SEGMENT

PERIOD ENDED DECEMBER 31, 2008

(Thousands of Dollars)

	Distribution Electric Plant In Service
1 December 31, 2007	\$ 1,127,589
2 March 31, 2008	1,126,962
3 June 30, 2008	1,155,267
4 September 30, 2008	1,202,097
5 December 31, 2008	<u>1,226,478</u>
6 Total	<u>\$ 5,838,393</u>
7 5 - Quarter Average	<u>\$ 1,167,679</u>

8 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
ACCUMULATED PROVISION FOR DEPRECIATION - DISTRIBUTION SEGMENT

PERIOD ENDED DECEMBER 31, 2008

(Thousands of Dollars)

	Accumulated Provision For Depreciation
1 December 31, 2007	\$ 367,246
2 March 31, 2008	362,499
3 June 30, 2008	374,509
4 September 30, 2008	382,217
5 December 31, 2008	<u>381,770</u>
6 Total	<u>\$ 1,868,241</u>
7 5 - Quarter Average	<u>\$ 373,648</u>
8 Amounts shown above may not add due to rounding.	

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
PLANT HELD FOR FUTURE USE - DISTRIBUTION SEGMENT

PERIOD ENDED DECEMBER 31, 2008

(Thousands of Dollars)

Distribution Plant Held for Future Use is not included in Rate Base.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
WORKING CAPITAL ALLOWANCE - DISTRIBUTION SEGMENT

PERIOD ENDED DECEMBER 31, 2008

(Thousands of Dollars)

	Working Capital Allowance
1 Total Distribution Operation and Maintenance Expense	\$ 143,998
2 Total Retail Transmission Operation and Maintenance Expense (1)	67,213
3 Total Operation and Maintenance Expense	\$ 211,211
4 Plus: Donations	293
5 Less:	
6 Uncollectibles	2,717
7 Net Operation and Maintenance Expenses	<u>\$ 208,787</u>
8 Net Working Capital Allowance - 45 Days	<u>\$ 25,741</u>
9 (1) Retail Transmission O&M costs included in Distribution rate base	
10 consistent with the DE 06-028 Settlement.	
11 Amounts shown above may not add due to rounding.	

000152

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
MATERIALS AND SUPPLIES - DISTRIBUTION SEGMENT

PERIOD ENDED DECEMBER 31, 2008

(Thousands of Dollars)

	Material and Supplies
1 December 31, 2007	\$ 6,315
2 March 31, 2008	6,085
3 June 30, 2008	6,281
4 September 30, 2008	7,812
5 December 31, 2008	<u>7,171</u>
6 Total	<u>\$ 33,664</u>
7 5 - Quarter Average	<u>\$ 6,733</u>

8 Amounts shown above may not add due to rounding.

000153



PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
PREPAYMENTS - DISTRIBUTION SEGMENT

PERIOD ENDED DECEMBER 31, 2008

(Thousands of Dollars)

	Prepayments
1 December 31, 2007	\$ 2,224
2 March 31, 2008	1,472
3 June 30, 2008	1,361
4 September 30, 2008	566
5 December 31, 2008	<u>2,743</u>
6 Total	<u>\$ 8,366</u>
7 5 - Quarter Average	<u>\$ 1,673</u>

8 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
 PREPAYMENTS DETAIL - DISTRIBUTION SEGMENT

PERIOD ENDED DECEMBER 31, 2008

(Thousands of Dollars)

	Acct. 165AS Prepaid Software Maintenance	Acct. 16501 Prepaid Insurance	Acct. 16514 Prepaid Agency Fees	Total
1 December 31, 2007	\$ -	\$ 2,178	\$ 46	\$ 2,224
2 March 31, 2008	-	1,426	46	1,472
3 June 30, 2008	-	1,315	46	1,361
4 September 30, 2008	-	521	45	566
5 December 31, 2008	<u>255</u>	<u>2,442</u>	<u>46</u>	<u>2,743</u>
6 Total	<u>\$ 255</u>	<u>\$ 7,882</u>	<u>\$ 229</u>	<u>\$ 8,366</u>
7 5 - Quarter Average	<u>\$ 51</u>	<u>\$ 1,576</u>	<u>\$ 46</u>	<u>\$ 1,673</u>

8 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
REGULATORY ASSETS - DISTRIBUTION SEGMENT

PERIOD ENDED DECEMBER 31, 2008

(Thousands of Dollars)

	Regulatory Assets
1 December 31, 2007	\$ 15,928
2 March 31, 2008	15,413
3 June 30, 2008	19,810
4 September 30, 2008	18,020
5 December 31, 2008	<u>16,225</u>
6 Total	<u>\$ 85,396</u>
7 5 - Quarter Average	<u>\$ 17,080</u>
8 Amounts shown above may not add due to rounding.	

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
REGULATORY ASSETS DETAIL - DISTRIBUTION SEGMENT

PERIOD ENDED DECEMBER 31, 2008  
(Thousands of Dollars)

	Acct. 182.DC Deferred Benefits	Acct. 182.DN NHBPT FAS 109	Acct. 182.EV Pending Environmental Deferral	Acct. 182.KC Def'd Cost Keene Claremont	Acct. 182.PL Environmental Deferral being Recovered	Acct. 182.ST Storm Cost Being Recovered	Acct. 182.SO Asset Retirement Obligation	Total
1 December 31, 2007	\$ 753	\$ 4,214	\$ 167	\$ 78	\$ 2,133	\$ 6,841	\$ 1,742	\$ 15,928
2 March 31, 2008	678	4,058	755	70	1,920	6,157	1,775	\$ 15,413
3 June 30, 2008	603	3,902	758	62	1,704	10,973	1,808	\$ 19,810
4 September 30, 2008	527	3,746	758	54	1,493	9,601	1,841	\$ 18,020
5 December 31, 2008	452	3,590	761	46	1,280	8,229	1,867	\$ 16,225
6 Total	\$ 3,013	\$ 19,510	\$ 3,199	\$ 310	\$ 8,530	\$ 41,801	\$ 9,033	\$ 85,396
7 5 - Quarter Average	\$ 603	\$ 3,902	\$ 640	\$ 62	\$ 1,706	\$ 8,360	\$ 1,807	\$ 17,080

8 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
ACCUMULATED DEFERRED INCOME TAXES - DISTRIBUTION SEGMENT

PERIOD ENDED DECEMBER 31, 2008

(Thousands of Dollars)

	Accumulated Deferred Income Taxes
1 December 31, 2007	\$ (92,946)
2 March 31, 2008	(94,715)
3 June 30, 2008	(102,801)
4 September 30, 2008	(130,080)
5 December 31, 2008	<u>(131,929)</u>
6 Total	<u>\$ (552,471)</u>
7 5 - Quarter Average	<u>\$ (110,494)</u>

8 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
 ACCUMULATED DEFERRED INCOME TAXES DETAIL - DISTRIBUTION SEGMENT

PERIOD ENDED DECEMBER 31, 2008

(Thousands of Dollars)

	Acct. 190 Accum. Deferred Income Tax	Acct. 282 Accum. Deferred Income Tax	Acct. 283 Accum. Deferred Income Tax	Total
1 December 31, 2007	\$ 2,394	\$ (87,211)	\$ (8,129)	\$ (92,946)
2 March 31, 2008	2,195	(89,133)	(7,777)	(94,715)
3 June 30, 2008	2,297	(97,407)	(7,691)	(102,801)
4 September 30, 2008	2,357	(122,467)	(9,970)	(130,080)
5 December 31, 2008	<u>2,593</u>	<u>(125,121)</u>	<u>(9,401)</u>	<u>(131,929)</u>
6 Total	<u>\$ 11,836</u>	<u>\$ (521,339)</u>	<u>\$ (42,968)</u>	<u>\$ (552,471)</u>
7 5 - Quarter Average	<u>\$ 2,367</u>	<u>\$ (104,268)</u>	<u>\$ (8,594)</u>	<u>\$ (110,494)</u>

8 Amounts shown above may not add due to rounding.

000159

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
ACCUMULATED INVESTMENT TAX CREDIT - DISTRIBUTION SEGMENT

PERIOD ENDED DECEMBER 31, 2008

(Thousands of Dollars)

	<u>Total</u>
1 December 31, 2007	\$ (370)
2 March 31, 2008	(337)
3 June 30, 2008	(304)
4 September 30, 2008	(271)
5 December 31, 2008	<u>(238)</u>
6 Total	<u>\$ (1,520)</u>
7 5 - Quarter Average	<u>\$ (304)</u>

8 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
REGULATORY LIABILITIES - DISTRIBUTION SEGMENT

PERIOD ENDED DECEMBER 31, 2008

(Thousands of Dollars)

	<u>Regulatory Liabilities</u>
1 December 31, 2007	\$ (7,202)
2 March 31, 2008	(7,032)
3 June 30, 2008	(7,044)
4 September 30, 2008	(7,058)
5 December 31, 2008	<u>(7,496)</u>
6 Total	<u>\$ (35,832)</u>
7 5 - Quarter Average	<u>\$ (7,166)</u>
8 Amounts shown above may not add due to rounding.	

000161



PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
 REGULATORY LIABILITIES - DISTRIBUTION SEGMENT

PERIOD ENDING DECEMBER 31, 2008

(Thousands of Dollars)

	Acct. 228 Deferred Environmental Remediation Cost	Acct. 230 Asset Retirement Obligation	Acct. 254 Deferred REP Revenue	Total
1 December 31, 2007	\$ (4,449)	\$ (1,960)	\$ (793)	\$ (7,202)
2 March 31, 2008	(5,041)	(1,991)	-	(7,032)
3 June 30, 2008	(5,021)	(2,023)	-	(7,044)
4 September 30, 2008	(5,003)	(2,055)	-	(7,058)
5 December 31, 2008	<u>(4,960)</u>	<u>(2,079)</u>	<u>(457)</u>	<u>(7,496)</u>
6 Total	<u>\$ (24,474)</u>	<u>\$ (10,108)</u>	<u>\$ (1,250)</u>	<u>\$ (35,832)</u>
7 5 - Quarter Average	<u>\$ (4,895)</u>	<u>\$ (2,022)</u>	<u>\$ (250)</u>	<u>\$ (7,166)</u>

8 Amounts shown above may not add due to rounding.

000162

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
CUSTOMER DEPOSITS - DISTRIBUTION SEGMENT

PERIOD ENDED DECEMBER 31, 2008

(Thousands of Dollars)

	<u>Customer Deposits</u>
1 December 31, 2007	\$ (3,822)
2 March 31, 2008	(3,571)
3 June 30, 2008	(3,388)
4 September 30, 2008	(3,139)
5 December 31, 2008	<u>(3,139)</u>
6 Total	<u>\$ (17,059)</u>
7 5 - Quarter Average	<u>\$ (3,412)</u>

8 Amounts shown above may not add due to rounding.





PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

SUMMARY OF PROFORMA ADJUSTMENTS TO RATE BASE

(Thousands of Dollars)

	ELECTRIC PLANT IN SERVICE	ACCUM DEPREC	WORKING CAPITAL ALLOWANCE	MATERIALS AND SUPPLIES	PREPAYMENTS	REGULATORY ASSETS	ACCUM DEFERRED INCOME TAXES	ACCUM INVESTMENT TAX CREDIT	REGULATORY LIABILITIES	CUSTOMER DEPOSITS	TOTAL RATE BASE
1 ACTUAL at 12/31/2008	<u>1,226,478</u>	<u>(381,770)</u>	<u>25,741</u>	<u>7,171</u>	<u>2,743</u>	<u>16,225</u>	<u>(131,929)</u>	<u>(238)</u>	<u>(7,496)</u>	<u>(3,139)</u>	<u>753,786</u>
2 <u>RATE BASE PROFORMAS</u>											
3 Plant Additions	82,848	(38,680)	0	0	0	0	(21,900)	0	0	0	22,268
4 Regulatory Assets	0	0	0	0	0	0	0	0	0	0	0
5 TOTAL RATE BASE ADJUSTMENTS	<u>82,848</u>	<u>(38,680)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(21,900)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,268</u>
6 <u>INCOME STATEMENT PROFORMAS</u>											
7 O&M Effect On Working Capital Allowance	0	0	1,064	0	0	0	0	0	0	0	1,064
8 TOTAL PROFORMA ADJUSTMENTS	<u>82,848</u>	<u>(38,680)</u>	<u>1,064</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(21,900)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,332</u>
9 TOTALS AS PROFORMED	<u>1,309,326</u>	<u>(420,450)</u>	<u>26,805</u>	<u>7,171</u>	<u>2,743</u>	<u>16,225</u>	<u>(153,829)</u>	<u>(238)</u>	<u>(7,496)</u>	<u>(3,139)</u>	<u>777,118</u>

10 Amounts shown above may not add due to rounding.

Docket No. DE 09-035  
Witness: R. A. Baumann  
Schedule 3 Attachment  
Page 1 of 5

000164

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

PROFORMA ADJUSTMENT-DISTRIBUTION

PLANT ADDITIONS

(Thousands of Dollars)

1 Purpose and Description:

2 Adjust electric plant in service to reflect plant additions placed in service during the rate year.

3			Cumulative
4		Additions To Electric	Additions To Electric
5		<u>Plant In Service</u>	<u>Plant In Service</u>
6	December 31, 2008	\$ -	\$ -
7	March 31, 2009	11,935	11,935
8	June 30, 2009	32,620	44,555
9	September 30, 2009	14,756	59,311
10	December 31, 2009	<u>23,537</u>	82,848
11	Total	<u>\$ 82,848</u>	

12 Amounts shown above may not add due to rounding.

000165

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

PROFORMA ADJUSTMENT - DISTRIBUTION

ACCUMULATED DEPRECIATION

(Thousands of Dollars)

1 Purpose and Description:

2 Adjust accumulated provision for pro forma adjustments to depreciation expense  
3 and for depreciation on capital additions placed in service during the rate year.

4 5 6		Total Depreciation Expense	Total Accumulated Depreciation
7	December 31, 2008	\$ -	\$ -
8	March 31, 2009	(9,390)	(9,390)
9	June 30, 2009	(9,639)	(19,029)
10	September 30, 2009	(9,753)	(28,782)
11	December 31, 2009	(9,899)	(38,680)
12	Total	<u>\$ (38,680)</u>	

13 Amounts shown above may not add due to rounding.

000166

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
PROFORMA ADJUSTMENT - DISTRIBUTION  
ACCUMULATED DEFERRED INCOME TAXES - PLANT IN SERVICE  
(Thousands of Dollars)

1 Purpose and Description:

2 Adjust accumulated deferred income taxes associated with pro forma changes to depreciation  
3 expense and for depreciation on capital additions placed in service during the rate year.

	Deferred Income Taxes Associated with Plant in Service	Cumulative Deferred Income Taxes Plant in Service
4		
5		
6		
7 December 31, 2008	\$ -	\$ -
8 March 31, 2009	(5,475)	(5,475)
9 June 30, 2009	(5,475)	(10,950)
10 September 30, 2009	(5,475)	(16,425)
11 December 31, 2009	<u>(5,475)</u>	(21,900)
12 Total	<u>\$ (21,900)</u>	

13 Amounts shown above may not add due to rounding.

000167



PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

PROFORMA ADJUSTMENT - DISTRIBUTION

WORKING CAPITAL ALLOWANCE

(Thousands of Dollars)

1 Purpose and Description:

2 Adjust working capital allowance to reflect impact of proforma  
3 adjustments to operating expenses

4  
5  
6

Proforma  
Adjustments To  
Working Capital

7	Total Operation and Maintenance Expense Proforma	\$	8,633
8	Plus: Donations		0
9	Less: Uncollectible Accounts		<u>0</u>
10	Net Operation and Maintenance Expenses		<u>8,633</u>
11	Net Working Capital Allowance Adjustment - 45 days	\$	<u><u>1,064</u></u>
12	Amounts shown above may not add due to rounding.		

000168





PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

ITEM I  
 OVERALL RATE OF RETURN - DISTRIBUTION

Cost of Capital at December 31, 2008

Item	Component Ratio	Component Cost Rate	Weighted Average Cost Rate
Common Equity (1)	48.73%	6.505%	3.170%
Long-Term Debt	51.27%	5.389%	2.763%
Short-Term Debt (2)	<u>0.00%</u>	0.000%	<u>0.000%</u>
Total	<u><u>100.00%</u></u>		<u><u>5.933%</u></u>

Note (1): In accordance with DE 06-028, PSNH's allowed ROE is 9.67%.

Note (2): See Item VI regarding the inclusion of short-term debt in PSNH's capital structure.

Amounts shown above may not add due to rounding.

000169

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

ITEM I

OVERALL RATE OF RETURN - DISTRIBUTION

Proformed Cost of Capital at December 31, 2008

	<u>Item</u>	<u>Component Ratio</u>	<u>Component Cost Rate</u>	<u>Weighted Average Cost Rate</u>
1	Common Equity	51.12%	10.500%	5.367%
2	Long-Term Debt	48.88%	5.607%	2.741%
3	Short-Term Debt	<u>0.00%</u>	0.000%	<u>0.000%</u>
4	Total	<u><u>100.00%</u></u>		<u><u>8.108%</u></u>

5 Amounts shown above may not add due to rounding.

000170



PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

ITEM II  
CAPITAL STRUCTURE FOR RATEMAKING PURPOSES - DISTRIBUTION

(Thousands of Dollars)

ITEM	At December 31, 2008	
	Amount	Component Ratio
1 Common Equity		
2 Common Stock	\$ -	0.00%
3 Other Paid-In Capital	350,496	26.92%
4 Retained Earnings (1)	284,033	21.81%
5		
6		
7 Total Common Equity	634,529	48.73%
8		
9		
10 Preferred Stock	-	0.00%
11		
12		
13 Long-Term Debt		
14 Pollution Control Revenue Bonds		
15 Series A - VR	85,494	6.57%
16 Series B - FR	84,406	6.48%
17 Series C - FR	103,715	7.97%
18 Series D Tax Exempt-FR	73,942	5.68%
19 Series E Tax Exempt-FR	44,191	3.39%
20		
21 First Mortgage Bonds		
22		
23 Series L	49,645	3.81%
24 Series M	49,380	3.79%
25 Series N	69,227	5.32%
26 Series O	107,522	8.26%
27		
28 Total Long-Term Debt	667,524	51.27%
29		
30 Short-Term Debt (2)	-	0.00%
31		
32 Total Capitalization	\$ 1,302,053	100.00%
33		
34		

Note (1): Excludes Other Comprehensive Income (OCI) of \$814,000 related to 2008 First Mortgage Bonds - Series O. OCI is excluded from common equity as it is used in calculating net proceeds on the Series O bonds.

Note (2): See Item VI regarding the inclusion of short-term debt in PSNH's capital structure.

Amounts shown above may not add due to rounding.

000171

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

ITEM II  
CAPITAL STRUCTURE FOR RATEMAKING PURPOSES - DISTRIBUTION

(Thousands of Dollars)

ITEM	Proformed At December 31, 2008	
	Amount	Component Ratio
Common Equity		
Common Stock	\$ -	0.00%
Other Paid-In Capital (1)	569,496	34.11%
Retained Earnings	284,033	17.01%
Total Common Equity	853,529	51.12%
Preferred Stock	-	0.00%
Long-Term Debt		
Pollution Control Revenue Bonds		
Series A - VR	85,494	5.12%
Series B - FR	84,406	5.05%
Series C - FR	103,715	6.21%
Series D Tax Exempt-FR	73,942	4.43%
Series E Tax Exempt-FR	44,191	2.65%
First Mortgage Bonds		
Series L	49,645	2.97%
Series M	49,380	2.96%
Series N	69,227	4.15%
Series O	107,522	6.44%
New Issue	148,704	8.91%
Total Long-Term Debt	816,228	48.88%
Short-Term Debt (2)	-	0.00%
Total Capitalization	\$ 1,669,757	100.00%

Note (1): Includes \$219M of pro formed capital contributions

Note (2): See Item VI regarding the inclusion of short-term debt in PSNH's capital structure.

Amounts shown above may not add due to rounding.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

ITEM III  
 HISTORICAL CAPITAL STRUCTURE  
 FOR RATEMAKING PURPOSES  
 AT DECEMBER 31

(Thousands of Dollars)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
1 Common Equity	\$ 537,867	\$ 467,562	\$ 452,505	\$ 399,677	\$ 380,260
2 Long-Term Debt	558,586	488,132	487,568	437,062	387,608
3 Short-Term Debt (1)	<u>21,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4 Total Capital	<u>\$ 1,118,353</u>	<u>\$ 955,694</u>	<u>\$ 940,073</u>	<u>\$ 836,739</u>	<u>\$ 767,868</u>

5 Note (1): PSNH included short-term debt in its allowed capital structure in 2007 in accordance with DE 06-028.

6 Amounts shown above may not add due to rounding.





PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

ITEM IV  
 CAPITALIZATION RATIOS  
 AT DECEMBER 31

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
1 Common Equity	48.09%	48.92%	48.14%	47.77%	49.52%
2 Long-Term Debt	49.95%	51.08%	51.86%	52.23%	50.48%
3 Short-Term Debt (1)	<u>1.96%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
4 Total Capital	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>

5 Note (1): PSNH included short-term debt in its allowed capital structure in 2007 in accordance with DE 06-028.

6 Amounts shown above may not add due to rounding.





PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
 ITEM V  
 LONG-TERM DEBT

(Thousands of Dollars)

LONG-TERM DEBT AT DECEMBER 31, 2008--NET PROCEEDS AT OFFERING DATE

	Title (1)	Date of Offering	Date of Maturity	Interest Rate (%)	Principal Amount of Issue	Financing Costs	Net Proceeds to the Utility	Net Proceeds % (per unit)
1	Pollution Control Revenue Bonds							
2	Series A - VR (2)	12/19/01	05/01/21	0.400	89,250	5,781	83,469	93.5
3	Series B - FR	12/19/01	05/01/21	4.750	89,250	7,124	82,126	92.0
4	Series C - FR	12/19/01	05/01/21	5.450	108,985	7,787	101,198	92.9
5	Series D Tax Exempt-FR	05/01/98	05/01/21	6.000	75,000	4,149	70,851	94.5
6	Series E Tax Exempt-FR	05/01/98	05/01/21	6.000	44,800	3,088	41,712	93.1
7	First Mortgage Bonds							
8	Series L	07/22/04	07/15/14	5.250	50,000	549	49,451	98.9
9	Series M	10/05/05	10/05/35	5.600	50,000	694	49,306	98.6
10	Series N	09/24/07	09/01/17	6.150	70,000	607	69,393	99.1
11	Series O	05/27/08	05/01/18	6.000	110,000	1,465	108,535	98.7
12	Total Long-Term Debt						<u>656,040</u>	

13 Note (1): VR - Variable Rate Financing - Rates are set every 35 days.

14 FR - Fixed Rate

15 Note (2): Interest Rate shown is based on the December 2008 auction rate

16 Amounts shown above may not add due to rounding.

000175



PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
ITEM V  
LONG-TERM DEBT

(Thousands of Dollars)

LONG-TERM DEBT AT DECEMBER 31, 2008

	<u>Title</u>	<u>Net Amount Outstanding</u>	<u>Cost Rate Based on Net Proceeds</u>	<u>Annual Cost of Long-Term Debt</u>	<u>Average Cost Rate (%)</u>
1	Pollution Control Revenue Bonds				
2	Series A - VR	85,494	0.901%	770	
3	Series B - FR	84,406	5.617%	4,741	
4	Series C - FR	103,715	6.139%	6,367	
5	Series D Tax Exempt-FR	73,942	6.202%	4,586	
6	Series E Tax Exempt-FR	44,191	6.194%	2,737	
7	First Mortgage Bonds				
8	Series L	49,645	5.415%	2,688	
9	Series M	49,380	5.717%	2,823	
10	Series N	69,227	6.348%	4,394	
11	Series O	<u>107,522</u>	6.385%	<u>6,865</u>	
12	Total Long-Term Debt	<u>667,524</u>		<u>35,973</u>	<u>5.389%</u>

13 Amounts shown above may not add due to rounding.

000176

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
 ITEM V  
 LONG-TERM DEBT

(Thousands of Dollars)

PROFORMED LONG-TERM DEBT AT DECEMBER 31, 2008--NET PROCEEDS AT OFFERING DATE

Title (1)	Date of Offering	Date of Maturity	Interest Rate (%)	Principal Amount of Issue	Financing Costs	Net Proceeds to the Utility	Net Proceeds %(per unit)
1 Pollution Control Revenue Bonds							
2 Series A - VR (2)	12/19/01	05/01/21	0.400	89,250	5,781	83,469	93.5
3 Series B - FR	12/19/01	05/01/21	4.750	89,250	7,124	82,126	92.0
4 Series C - FR	12/19/01	05/01/21	5.450	108,985	7,787	101,198	92.9
5 Series D Tax Exempt-FR	05/01/98	05/01/21	6.000	75,000	4,149	70,851	94.5
6 Series E Tax Exempt-FR	05/01/98	05/01/21	6.000	44,800	3,088	41,712	93.1
7 First Mortgage Bonds							
8 Series L	07/22/04	07/15/14	5.250	50,000	549	49,451	98.9
9 Series M	10/05/05	10/05/35	5.600	50,000	694	49,306	98.6
10 Series N	09/24/07	09/01/17	6.150	70,000	607	69,393	99.1
11 Series O	05/27/08	05/01/18	6.000	110,000	1,465	108,535	98.7
12 New FMB Issue	09/30/09	08/31/19	6.440	150,000	1,296	148,704	99.1
13 Total Long-Term Debt						<u>804,744</u>	

- 14 Note (1): VR - Variable Rate Financing - Rates are set every 35 days.  
 15 FR - Fixed Rate  
 16 Note (2): Interest Rate shown is based on the December 2008 auction rate

17 Amounts shown above may not add due to rounding.

000177

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
 ITEM V  
 LONG-TERM DEBT

(Thousands of Dollars)

PROFORMED LONG-TERM DEBT AT DECEMBER 31, 2008

	<u>Title</u>	<u>Net Amount Outstanding</u>	<u>Cost Rate Based on Net Proceeds</u>	<u>Annual Cost of Long-Term Debt</u>	<u>Average Cost Rate (%)</u>
1	Pollution Control Revenue Bonds				
2	Series A - VR	85,494	0.901%	770	
3	Series B - FR	84,406	5.617%	4,741	
4	Series C - FR	103,715	6.139%	6,367	
5	Series D Tax Exempt-FR	73,942	6.202%	4,586	
6	Series E Tax Exempt-FR	44,191	6.194%	2,737	
7	First Mortgage Bonds				
8	Series L	49,645	5.415%	2,688	
9	Series M	49,380	5.717%	2,823	
10	Series N	69,227	6.348%	4,394	
11	Series O	107,522	6.385%	6,865	
12	New FMB Issue	<u>148,704</u>	6.583%	<u>9,790</u>	
13	Total Long-Term Debt	<u><u>816,228</u></u>		<u><u>45,763</u></u>	<u><u>5.607%</u></u>

14 Amounts shown above may not add due to rounding.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

ITEM VI  
COST OF SHORT-TERM DEBT

1 PSNH's net borrowing position at December 31, 2008 was \$7.2M negative (\$45.2M of STD minus \$ 52.5M of short-term  
2 liquid investments). Under normal circumstances, PSNH's STD balance would have been zero on December 31, 2008  
3 since PSNH would have used its cash on hand to repay outstanding short-term borrowings. As a result of the current  
4 global credit crisis, PSNH senior financial officers have determined that, until the credit crisis subsides, the Company  
5 will hold cash in excess of its normal requirements in order to satisfy potential peak borrowing requirements.

6 As the short-term debt is being held as a liquidity reserve, and does not support rate base, PSNH has excluded it from  
7 its capital structure.

8 The Company is requesting that short-term debt be excluded from its pro forma capital structure for rate-making  
9 purposes in this filing.





PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

ITEM VII  
PREFERRED STOCK

(Thousands of Dollars)

PREFERRED STOCK OUTSTANDING AT DECEMBER 31, 2008

<u>Title and Dividend Rate</u>	<u>Date of Offering</u>	<u>Financing Costs</u>	<u>Stated Value Per Share</u>	<u>Stated Value Per Issue</u>	<u>Net Proceeds</u>	<u>Net Proceeds Per Unit (%)</u>
------------------------------------	-----------------------------	----------------------------	-----------------------------------	-----------------------------------	-------------------------	--------------------------------------

- 1 There are no issues of preferred stock outstanding. The Company has no plans to issue preferred stock.







PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

ELECTRICITY DELIVERY SERVICE TARIFF - NHPUC NO. 7  
SUPERSEDING  
ELECTRICITY DELIVERY SERVICE TARIFF NHPUC NO.6

Applicable  
in  
Various towns and cities in New Hampshire,  
served in whole or in part.

(For detailed description, see Service Area)

Issued: June 30, 2009

Issued by: /s/ Paul E. Ramsey  
Paul E. Ramsey

Effective: August 1, 2009

Title: Vice President – Energy Delivery

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TERMS AND CONDITIONS FOR DELIVERY SERVICE

1. Service Area

The territory authorized to be served by this Company and to which this Tariff applies is as follows:

Albany#	Bridgewater#	Danbury#	Freedom#
Alexandria*	Bristol#	Danville**	Fremont#
Allenstown#	Brookfield#	Deerfield*	Gilford#
Alstead**	Brookline	Deering	Gilmanton
Alton**	Cambridge	Derry#	Gilsum
Amherst	Campton*	Dover	Goffstown
Andover**	Candia*	Dublin	Gorham
Antrim	Canterbury*	Dummer	Goshen*
Ashland**	Carroll	Dunbarton#	Grafton#
Atkinson*	Charlestown*	Durham#	Grantham#
Auburn#	Chatham	Easton*	Greenfield
Barnstead*	Chester*	Eaton#	Greenland
Barrington	Chesterfield	Effingham	Greenville
Bath#	Chichester*	Enfield**	Green's Grant
Bedford	Claremont#	Epping#	Hampstead#
Belmont#	Clarksville*	Epsom*	Hampton**
Bennington	Colebrook*	Errol	Hancock
Berlin	Columbia*	Exeter**	Hanover**
Bethlehem#	Concord**	Farmington#	Harrisville
Boscawen**	Conway*	Fitzwilliam	Haverhill*
Bow**	Cornish*	Francestown	Hebron#
Bradford	Croydon#	Franconia	Henniker
Brentwood*	Dalton	Franklin#	Hill**

# Company serves over 90 percent of the customers in this municipality. (See Note)

\* Company serves less than 90 percent but more than 10 percent of the customers in this municipality. (See Note)

\*\* Company serves less than 10 percent of the customers in this municipality. (See Note)

Note: Limited areas of towns so identified above are as shown on the maps filed separately with the Commission and incorporated in this Tariff by reference.

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Title: Vice President – Energy Delivery

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Hillsborough	Meredith**	Pembroke#	Stratford
Hinsdale	Merrimack	Peterborough	Stratham**
Hollis	Middleton	Piermont*	Sugar Hill
Hooksett	Milan	Pinkham's Grant	Sullivan
Hopkinton#	Millsfield	Pittsburg#	Sunapee*
Hudson	Milford	Pittsfield#	Surry#
Jaffrey	Milton	Plainfield*	Sutton#
Jefferson	Mont Vernon	Plymouth**	Swanzy
Keene	Nashua	Portsmouth	Tamworth#
Laconia#	Nelson	Randolph	Temple
Lancaster	New Boston	Raymond*	Thornton
Landaff*	New Castle	Richmond	Tilton
Lee*	New Durham*	Rindge	Tuftonboro*
Lempster**	New Hampton*	Rochester	Troy
Lincoln**	New Ipswich	Rollinsford	Unity*
Lisbon#	New London	Roxbury	Wakefield#
Litchfield	Newbury	Rye	Warner
Littleton**	Newfields	Salisbury*	Washington
Londonderry	Newington	Sanbornton#	Waterville**
Loudon	Newmarket	Sandown*	Weare
Lyman#	Newport#	Sandwich*	Webster*
Lyme*	North Hampton	Seabrook**	Wentworth's
Lyndeboro	Northfield*	Sharon	Location
Madbury	Northumberland	Shelburne	Westmoreland
Madison#	Northwood#	Somersworth	Whitefield
Manchester	Nottingham*	Springfield*	Wilmot**
Marlboro	Orange**	Stark	Wilton
Marlow#	Orford*	Stewartstown*	Winchester
Martin's Location	Ossipee*	Stoddard	Windham#
Mason	Pelham**	Strafford	Windsor

# Company serves over 90 percent of the customers in this municipality. (See Note)

\* Company serves less than 90 percent but more than 10 percent of the customers in this municipality. (See Note)

\*\* Company serves less than 10 percent of the customers in this municipality. (See Note)

Note: Limited areas of towns so identified above are as shown on the maps filed separately with the Commission and incorporated in this Tariff by reference.

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Title: Vice President – Energy Delivery

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## 2. Definitions

The following words and terms shall be understood to have the following meanings when used in this Tariff, including in any agreements entered into under this Tariff:

**Application:** A request by a Customer for Delivery Service pursuant to the provisions of this Tariff.

**Commission:** The State of New Hampshire Public Utilities Commission.

**Customer:** Any person, firm, corporation, cooperative marketing association, utility or government unit or sub-division of a municipality or of the state or nation supplied with Delivery Service by the Company. Each Delivery Service account shall be considered a separate and distinct Customer.

**Customer Choice Date:** May 1, 2001.

**Default Energy Service ("Default Service"):** Electric energy and capacity supplied to a Customer by the Company. The Company shall supply all Default Service in its service territory from its generation assets and, if necessary, through supplemental power purchases in a manner approved by the Commission. Service shall be supplied during periods in which a Customer is not receiving Self-Supply Service or Supplier Service. Default Service shall be provided in accordance with Default Energy Service Rate DE and shall be provided in conjunction with the applicable Delivery Service Rate Schedule.

**Delivery Service:** The delivery of electric power by the Company to a Customer under this Tariff.

**Electronic Enrollment:** A request submitted electronically to the Company by a Supplier for the initiation of Supplier Service to a Customer.

**Energy Service Provider ("Supplier"):** Any entity registered with the Commission and authorized by the Commission to supply electricity to retail users of electricity in the state of New Hampshire.

**FERC:** The Federal Energy Regulatory Commission.

**Force Majeure:** Any cause beyond the reasonable control of, and without the fault or negligence of, the Party claiming Force Majeure. It shall include, without limitation, sabotage, strikes or other labor difficulties, soil conditions, riots or civil disturbance, acts of God, acts of public enemy, drought, earthquake, flood, explosion, fire, lightning, landslide, sun storms or similarly cataclysmic occurrence, or appropriation or diversion of electricity by sale or order of any governmental authority having jurisdiction thereof. Economic hardship of either Party shall not constitute a Force Majeure under this Tariff.

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Title: Vice President – Energy Delivery

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**ISO-NE:** The Independent System Operator of New England, the NEPOOL operating center that centrally dispatches the electric generating and transmission facilities owned or controlled by NEPOOL participants to achieve the objectives of the NEPOOL Agreement.

**Local Network:** The transmission and distribution facilities which are owned, leased and maintained by the Company, which are located in the states of New Hampshire and Maine and that are used to provide Delivery Service under this Tariff. The Local Network does not include any capacity or transmission or distribution facilities owned, leased or supported by the NU System Companies.

**NEPOOL:** The New England Power Pool.

**Northeast Utilities System Companies ("NU System Companies"):** The operating companies of Northeast Utilities Service Company other than PSNH.

**Parties or Party:** PSNH and/or one or more Customers under this Tariff.

**Payment Agent:** Any third-party authorized by a Customer to receive and pay the bills rendered by the Company for service under this Tariff.

**PTF Facilities:** All pool transmission facilities included in the NEPOOL Open Access Transmission Tariff on file with the FERC.

**PSNH ("Company"):** Public Service Company of New Hampshire.

**Rate Schedule:** The Rate Schedules included as part of this Tariff.

**Restated NEPOOL Agreement ("NEPOOL Agreement"):** An agreement between the NEPOOL participants dated September 1, 1971 and restated December 31, 1996, as amended from time to time.

**Requirements for Electric Service Connections:** The booklet prepared by the Company to establish standardized rules and regulations for the installation of electric service connections within the Company's Service Area.

**Self-Supply Service:** Electric energy and capacity purchased by a Customer directly from the Independent System Operator of New England or the New England Power Pool.

**Settlement Agreement:** The Settlement Agreement by and between the state of New Hampshire, Northeast Utilities and Public Service Company of New Hampshire dated June 23, 2000, and conformed as of September 22, 2000.

**Supplier-Rendered Energy Service ("Supplier Service"):** The sale of energy and capacity including ancillary services to a Customer by a Supplier.

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Title: Vice President – Energy Delivery

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**Tariff:** This Delivery Service Tariff and all Rate Schedules, appendices and exhibits to such Tariff.

### 3. General

The Company undertakes to render dependable Delivery Service in accordance with this Tariff, of which these Terms and Conditions are a part, as on file from time to time with the Commission and legally in effect; such undertaking being subject to the applicable rules and regulations of the Commission and to the Company's "Requirements for Electric Service Connections."

Although the Company will endeavor to make the service rendered as continuous and uninterrupted as it reasonably can, Delivery Service is subject to variations in its characteristics and/or interruptions to its continuity. Therefore, the characteristics of the Delivery Service may be varied and/or such service to any Customer or Customers may be interrupted, curtailed, or suspended in the following described circumstances; the obligations of the Company to render service under this Tariff are subject to such variance, interruption, curtailment, or suspension:

- (a) When necessary to prevent injury to persons or damage to property.
- (b) When necessary to permit the Company to make repairs to or changes and improvements in a part or parts of the Company's electrical facilities; such action to be taken upon reasonable notice to the Customers to be affected, if practicable, or without any notice in an emergency when such notification would be impracticable or would prolong a dangerous situation.
- (c) When conditions in a part or parts of the interconnected generation-transmission system of which the Company's facilities are a part make it appear necessary for the common good.
- (d) When such variance, including a reversal of supply, or such interruption, curtailment or suspension is a result of Force Majeure as defined in this Tariff and any cause except willful default or neglect on the Company's part.

The Company shall not be responsible for any loss, cost, damage or expense to persons and/or property resulting therefrom.

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Title: Vice President – Energy Delivery

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The Company does not undertake to regulate the voltage or frequency of its service more closely than is standard commercial practice or required by the rules of the Commission. If the Customer requires regulation of voltage or frequency that is more refined, the Customer shall furnish, install, maintain and operate the necessary apparatus at the Customer's expense.

#### 4. Availability

Delivery Service shall be available to a Customer who has made an Application and has satisfied all of the requirements of this Tariff. Delivery Service shall be available solely for the delivery of electricity from a Supplier to a Customer or for the delivery of Default Service or Self-Supply Service to a Customer.

In the event that a conflict arises between this Tariff and the Terms and Conditions specifically related to transmission service under NU System Companies Transmission Service Tariff No. 10, or successor thereto, then NU System Companies Transmission Service Tariff No. 10 will apply.

In the event a conflict arises between this Tariff and the Settlement Agreement, then the Settlement Agreement will take precedence over this Tariff.

In the event that a Customer is not receiving Self-Supply Service and is not receiving Supplier Service from a Supplier for any reason, the Company will arrange Default Service provided the Customer has satisfied all the requirements for service under this Tariff.

#### 5. Application, Contract and Commencement of Service

Application by the Customer for Delivery Service may be made to the Company at any time. Whether or not an Application for service is made by the Customer and accepted by the Company, the rendering of the service by the Company and its use by the Customer shall be deemed a contract between the parties and subject to all provisions of the Tariff, as in effect from time to time, applicable to the service.

Except as otherwise specifically provided for under a rate, all rates are predicated on a period of service at one location of not less than twelve (12) consecutive months with monthly billing and monthly payment. The rendering of bills to Customers under this Tariff shall be performed exclusively by the Company.

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6. Selection of Supplier or Self-Supply Service by a Customer

Any Customer requesting or receiving Delivery Service under this Tariff is responsible for selecting or changing a Supplier or selecting Self-Supply Service. The Company shall process a change in or initiation of Supplier Service or Self-Supply Service within two business days of receiving a valid Electronic Enrollment from a Supplier or notice from the Customer in the case of Self-Supply Service. The Supplier or the Customer in the case of Self-Supply Service must satisfy all the applicable requirements of this Tariff and the Commission's rules prior to the commencement of Supplier Service or Self-Supply Service. The date of change in, or initiation of, Supplier Service or Self-Supply Service shall commence upon the next meter reading date for the Customer provided the Company receives and successfully processes the Electronic Enrollment from a Supplier or notice from the Customer in the case of Self-Supply Service at least two business days prior to the regularly scheduled meter reading cycle date for the Customer.

The Company shall accept no more than one Supplier for a Customer during any particular monthly billing cycle.

For a new service location for which a Customer requests Delivery Service, the Company must receive an Electronic Enrollment from a Supplier to enable the rendering of Supplier Service in conjunction with Delivery Service or notice from the Customer to enable the rendering of Self-Supply Service in conjunction with Delivery Service. If an Electronic Enrollment has not been received by the Company from a Supplier for any reason or notice has not been received from the Customer to enable the rendering of Self-Supply Service, energy and capacity shall be provided under the Company's Default Energy Service Rate DE.

If an Electronic Enrollment fails to meet the requirements of this Tariff, the Company shall, within one business day of receipt of the Electronic Enrollment, notify the Supplier requesting service of the reasons for such failure.

The Customer or its designee shall ensure that all information provided to the Company for Delivery Service is accurate and shall provide the Company with prompt notification of any changes thereto. The Customer's Supplier shall also ensure that all information contained in the Supplier's Electronic Enrollment is accurate and shall provide the Company with prompt notification of any changes thereto.

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7. Termination of Supplier Service or Self-Supply Service

To terminate Supplier Service from a particular Supplier, a Customer may either have the Supplier of record send to the Company a "Supplier Drops Customer" transaction, in accordance with the Terms and Conditions for Energy Service Providers section of this Tariff, or request Supplier Service from an alternative Supplier. Supplier Service from the Supplier of record shall terminate on the next meter read date provided the Company has received either a valid "Supplier Drops Customer" notice from the Supplier of record or a valid Electronic Enrollment from a new Supplier at least two business days prior to the regularly scheduled meter read date.

To terminate Self-Supply Service, a Customer may either provide notice to the Company or request Supplier Service from a Supplier. Self-Supply Service shall terminate on the next meter read date provided the Company has received notice from the Customer or has received a valid Electronic Enrollment from a Supplier at least two business days prior to the regularly scheduled meter read date.

8. Unauthorized Switching of Suppliers

The Company is not responsible for any loss or damage (direct, indirect or consequential) to any persons resulting from the Company's processing of an unauthorized Electronic Enrollment received from a Supplier.

9. Conditions of Delivery Service

Under the NEPOOL Agreement, the day-to-day operation of the generation and transmission systems of NEPOOL Participants, including the Company, is subject to ISO-NE dispatch and control. It is understood that occasions may arise where ISO-NE imposes limitations on service rendered under this Tariff in order to reliably operate the regional bulk power system in accordance with ISO-NE Operating Procedures. The Company shall not be liable for any actions taken by ISO-NE in the performance of the Company's duties under the NEPOOL Agreement and related operating guidelines and procedures.

10. Deposits, Payments, Refusal or Discontinuance of Service

Until a Customer has established satisfactory credit relations or when unsatisfactory credit relations exist, the Company may require security in the form of a cash deposit or an irrevocable written guarantee of a responsible third party. Cash deposits should not be less than \$10.00 nor more than the estimated bill for Delivery Service and Default Service for a period of two (2) high use months. The highest use month will not be used in determining the amount of deposit.

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Interest on all deposits shall be accrued at a rate equal to the base rate on corporate loans at large United States money center commercial banks (the Prime Rate), from the date of deposit to the date of termination. The monthly simple interest rate on deposits shall be fixed on a quarterly basis for quarterly periods ending March, June, September and December of each calendar year and shall be established as one-twelfth (1/12) of the annual Prime Rate reported in The Wall Street Journal on the first business day of the month preceding the calendar quarter. If more than one Prime Rate is reported in The Wall Street Journal, the average of the reported rates shall be used. Deposits plus accrued simple interest thereon, less any amount due the Company, will be refunded to the Customer when satisfactory credit relations have been established, or upon termination of service. The refund of accrued interest amounts shall be made by the Company pursuant to the rules of the Commission. When a deposit or balance of a deposit cannot be refunded because the Company is unable to locate the Customer, no additional interest shall be accrued on the deposit.

Charges for service under rates in this Tariff are predicated upon monthly billing, which as far as practicable will be thirty (30) days apart, and will be due upon presentation of bill. The Company may discontinue service for non-payment after a bill, or a portion thereof, becomes thirty (30) days overdue, or for other good cause, in accordance with applicable statutes and the rules and regulations of the Commission in effect at the time. Service to the Customer may be discontinued at the location where the Company furnished the service for which the overdue bill was rendered; or, if service is no longer being furnished to the Customer at that location, the Company may discontinue service at the current location, if the debt is uncontested and accrued within the past three years, subject to the Commission's Rules and Regulations.

When service has been disconnected for nonpayment, the Company may make a reasonable charge for reconnection before service is restored.

Except as otherwise specifically provided in any agreement between the Company and the Customer, charges for service furnished under this Tariff shall continue until such time as the Company shall receive reasonable notice from the Customer of a desire to terminate the service. The date of termination shall be the date specified by the Customer but not sooner than four business days from the date the Customer notified the Company.

The Company may require an applicant, as a condition of new service, to enter into a reasonable repayment plan for an uncontested debt owed to the Company within the past three years. Uncontested debt shall include any amounts for services provided by the Company before the Customer Choice Date and/or any amounts for Delivery Service and any Default Service furnished to the applicant. The Company may require the applicant to pay a security deposit or provide a written third-party guarantee as allowed under the rules and regulations of the Commission.

Whenever a Customer makes payment to the Company for service under this Tariff with a check or draft that is not accepted by the institution on which it is written, the Company shall make a charge to the Customer of either \$5.00 or the actual administrative cost of recovery, whichever amount is greater.

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11. Failure of Payment Agent to Remit Payment

A Customer who has elected to use a Payment Agent shall be treated in the same manner as other Customers in the Company's application of the applicable statutes, rules and regulations of the Commission and the terms and conditions of this Tariff, notwithstanding any failure of the Payment Agent to remit payment to the Company or any failure of the Payment Agent to forward to the Customer any Company notices, bill inserts or other written correspondence. The Customer shall be solely responsible for all amounts due, including, but not limited to, any late payment charges.

12. Refusal to Serve

The Company reserves the right to refuse to supply Delivery Service to new Customers or to supply additional load to any existing Customer if it is unable to do so under a Rate Schedule or if it is unable to obtain the necessary equipment and facilities or capital required for the furnishing of such service. The Company may refuse to supply Delivery Service to load of unusual characteristics which might affect the cost or quality of service supplied to other Customers of the Company. The Company may require a Customer having such unusual load to install special regulating and protective equipment in accordance with the Company's specifications as a condition of service.

The Company reserves the right to reject any Application for service if the amount or nature of the service applied for, or the distance of the premises to be served from an existing suitable distribution line, or the difficulty of access thereto, is such that the estimated income from the service applied for is insufficient, under any of the Company's applicable rates, to yield a reasonable return to the Company, unless such Application is accompanied by (a) a cash payment or (b) an undertaking satisfactory to the Company guaranteeing a stipulated revenue for a definite period of time, or both (a) and (b).

13. Maximum Demand

The "Maximum Demand" or "Customer's Load," which shall be stated in kilowatts or kilovolt-amperes as specified in the applicable Rate Schedule, is defined as the greatest rate of taking Delivery Service during a specified interval.

Where a Rate Schedule requires determination of maximum demand, it shall be determined by measurement or estimated as provided by the Rate Schedule or, where applicable, by the provisions of the following paragraph of this section. The Company shall not be obligated, for any reason, to use the demand values measured or estimated by any other entity in the determination of maximum demand.

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When the nature of the Customer's load is of an intermittent, instantaneous or widely fluctuating character such as to render demand meter readings of doubtful value as compared to the actual capacity requirements, the demand may be determined on the basis of a time interval less than that specified, or on the basis of the minimum transformer capacity necessary to render the Delivery Service, or the minimum protective device rating necessary to permit continuous uninterrupted service. In all such instances, the Company will record the basis of demand determination.

#### 14. Meters

The Company will provide each Customer with proper metering equipment subject to the ability of the Company to obtain the same.

The Company shall own and maintain the metering equipment necessary to measure Delivery Service under this Tariff. Each meter location shall be designated by the Company and the Company shall have priority over any other entity with respect to placement of Company-owned metering equipment.

Any Customer requesting non-standard metering equipment, the cost of which exceeds the cost of the metering equipment necessary for the rendering of Delivery Service under the applicable Rate Schedule, shall be responsible for the additional cost of the requested metering equipment including any incremental labor costs associated with installation of the requested metering equipment. Any such metering equipment must be approved by the Company.

Each dwelling unit of a new or renovated domestic structure with more than one dwelling unit will be metered separately and each meter will be billed as an individual Customer. Where an individual household or business enterprise, occupation or institution occupies more than one unit of space, each unit will be metered separately and considered a distinct Customer, unless the Customer furnishes, owns and maintains the necessary distribution circuits by which to connect the different units to permit delivery and metering at one location of all the energy used.

The Company may for its own convenience install more than one meter per Customer, but in such cases the meter readings will be cumulated when billing.

In cases of non-access or where a meter fails to register the full amount of electricity consumed, the amount of the bill will be estimated by the Company, based upon the use recorded during previous months, or upon the best information available.

The Company may estimate, rather than meter, demand and kilowatt-hours used by a Customer where the demand and kilowatt-hour usage are constant and known or for locations which, in the Company's judgment, are unsafe or impractical to separately meter or to access on a regular basis by Company personnel.

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#### 15. Customer Use of Electricity

In recognition of the fact that the wiring and facilities for the use of electricity on the Customer's premises are owned by and under the control of the Customer, the Company shall not be responsible for any loss, cost, damage, or expense to persons and/or property resulting from the use of or presence in the Customer's wiring or appliances, electricity delivered in accordance with the provisions of these Terms and Conditions and the Company's Requirement for Electric Service Connection.

If the Customer's requirements for electricity or use of service, or installation of Customer-owned equipment (including but not limited to motors, generation, meters, or capacitors) results in or is anticipated to result in damage to the Company's apparatus or facilities or electrical disturbances to other customers on the Company's distribution system, the Customer shall be responsible for the cost to the Company of repairing, replacing or upgrading the Company's facilities. If the Customer fails to correct for the interference with the operation of the Company's distribution system or with the electrical supply to other Customers, the Company reserves the right to refuse service or to disconnect service upon proper notice.

#### 16. Compliance

Service hereunder is subject to the Customer's compliance with the following conditions:

- (a) The Customer shall comply with or perform all of the requirements or obligations of this Tariff and the Company's "Requirements for Electric Service Connections".
- (b) The Customer shall allow the Company reasonable access to the Company's facilities located on the Customer's premises.
- (c) The Customer shall comply with any applicable orders and regulations of the Commission.
- (d) The Customer shall not cause or allow to exist any unauthorized or fraudulent use or procurement of the Delivery Service or any tampering with the connections or other equipment of the Company, or any condition on the Customer's premises involving the Delivery Service which is dangerous to health, safety or the electric service of others or which represents a clear and present danger to life, health, or physical property, or to the Company's ability to serve its other Customers.
- (e) The Customer shall notify the Company when the Customer no longer desires Delivery Service.

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17. Resale of Delivery Service

No customer shall sell, resell, assign or otherwise dispose of all or any part of the Delivery Service purchased from the Company without the written consent of the Company.

18. Company Property

The Company shall have the right to install, maintain and operate such Company-owned facilities on the premises of the Customer as in its judgment may be required to render Delivery Service to the Customer in accordance with this Tariff, whether such facilities shall be overhead or underground and whether the premises of the Customer are owned or leased to the Customer, and shall have the free right at all reasonable times to enter upon said premises for the purpose of maintaining, repairing, replacing or removing such facilities. Normally such facilities will consist of, but they shall not be limited to, overhead or underground service wires or cables extending to a Company-owned meter or meters and associated equipment.

Customer must provide, without expense or cost to the Company, the necessary permits, consents or easements satisfactory to the Company in order to install, maintain, repair, replace, or remove the Company's facilities on the Customer's property or property owned by others on which facilities are placed to serve the Customer.

If the Customer is a tenant or a mortgagor and his right of occupancy does not include authority to grant the Company the foregoing rights, he shall obtain his landlord's or his mortgagee's authority to grant the foregoing rights, and the Company may require that such authority be evidenced in writing by the landlord or mortgagee.

In the case of underground facilities, the Customer shall not erect or maintain or permit to be erected or maintained any building or structure over such facilities and shall not plant or permit to be planted any trees over such facilities.

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## 19. Holidays

The following New Hampshire legal holidays shall be recognized as holidays for purposes of billing service in off-peak periods:

<u>Holiday</u>	<u>Day Celebrated</u>
*New Year's Day	January 1st
Martin Luther King, Jr.	
Civil Rights Day	Third Monday in January
Washington's Birthday	Third Monday in February
Memorial Day	Last Monday in May
*Independence Day	July 4th
Labor Day	First Monday in September
Columbus Day	Second Monday in October
*Veterans Day	November 11th
Thanksgiving Day	When appointed
*Christmas	December 25th

\* If these days fall on Sunday, the following day shall be considered the holiday.

## 20. Conjunctional Service

Conjunctional Service is a Customer's use of Delivery Service under this Tariff for delivery of either Supplier Service or Default Service which supplements or is in addition to any other source of electric service connected on the Customer's side of the meter. Conjunctional Service must be taken in accordance with the Company's "Requirements for Electric Service Connections" and the Company's technical guidelines and requirements pertaining to Qualifying Facilities ("QFs", as defined in Sections 201 and 210 of Title II of the Public Utility Regulatory Policies Act of 1978) filed with the Commission in compliance with Commission Order No. 14,797. Conjunctional service is available to QFs and to other Customers who are not QFs who have available another source of electric service connected on the Customer's side of the meter.

All Conjunctional Service furnished by the Company to Customers under this Tariff shall be taken by the Customers under the Rate Schedule which would otherwise be available for Delivery Service applicable to the total internal load of the Customer.

## 21. Conditions Under Which This Tariff is Made Effective

On June 30, 2009, PSNH filed with the Commission a petition seeking an increase in Distribution Rates effective August 1, 2009. This Tariff contains rates which increase PSNH's distribution charges by approximately \$51.1 million. The rates and charges under this Tariff shall be implemented on a pro-rated basis.

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22. Customer Choice of Rate

Upon a Customer's request, the Company shall provide information as to what may be the most advantageous rates and charges available to the Customer under this Tariff. However, the responsibility for the selection of a rate lies with the Customer and the Company does not warrant or represent in any way that a Customer will save money by taking service under a particular rate. The Company will not be liable for any claim that service provided to a Customer might have been less expensive or more advantageous to such Customer if supplied under another available rate.

23. Statement by Agent

No representative of the Company or NU System Companies has the authority to modify any rule, provision or rate contained in this Tariff, or bind the Company for any promise or representation contrary thereto.

24. Third Party Claims and Non-Negligent Performance

Each Party agrees to indemnify and hold the other Party and its affiliated companies and the trustees, directors, officers, employees, and agents of each of them (collectively "Affiliates") harmless from and against any and all damages, costs (including attorneys' fees), fines, penalties, and liabilities, in tort, contract, or otherwise (collectively "Liabilities") resulting from claims of third parties arising, or claimed to have arisen, from the acts or omissions of such Party in connection with this Tariff. Each Party hereby waives recourse against the other Party and its Affiliates for, and releases the other Party and its Affiliates from, any and all Liabilities for or arising from damage to its property due to a non-negligent performance by such other Party.

25. Charges for Temporary Services

The Company shall have the right to charge the Customer for the total cost incurred in constructing and removing temporary services at locations under construction where the temporary service will not be converted to a permanent service. Such costs shall include the costs of labor, overheads and all materials except for the costs of transformers and meters. The Company shall not charge for the construction and removal of such temporary service whenever the temporary service is to be replaced at approximately the same location with a permanent service when construction is completed, provided that the permanent service is run from the same pole and utilizes the same material which was utilized for the temporary service.

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26. Underground Service

Underground electric distribution facilities will be provided by the Company, in accordance with the provisions of the Company's "Requirements for Electric Service Connections" and this Tariff, when feasible and practicable and when consistent with the normal availability of Company personnel, the orderly scheduling of construction projects, and all as reasonably determined by the Company. Subject to the above-stated limitations on the availability of underground facilities, such facilities will be provided by the Company on a consistent and equitable basis to all who qualify.

27. Stranded Cost Recovery Charge

The overall average level of the Stranded Cost Recovery Charge (SCRC) will be 3.4 cents per kilowatt-hour for the period from the Customer Choice Date until the earlier of the date that the non-securitized assets are fully amortized or the Recovery End Date as defined under the Settlement Agreement. The actual SCRC may vary among the different Rate Schedules and within separately metered rate options contained in certain Rate Schedules. During that time, the Company, every six months, shall compare the amount to be recovered through Parts 1, 2 and 3 of the SCRC, as defined under the Settlement Agreement with the revenue received from the billing of the SCRC. If the amount to be recovered exceeds the amount of revenue received through the billing of the SCRC, the difference will be deferred and recovered with a return as a Part 3 amount during the next six month period. The return shall equal the Stipulated Rate of Return set forth in the Settlement Agreement. If the amount to be recovered is less than the amount of revenue received through the billing of the SCRC, the difference will be used to accelerate the amortization of non-securitized stranded assets, thereby shortening the recovery period for such assets.

Subsequent to the time period described above, the Company shall calculate the SCRC to be billed during each prospective six month period. Any difference between the amount to be recovered through the SCRC during any six month period and the revenue received through the application of the SCRC during that period shall be refunded or recovered with a return during the subsequent six month period by reducing or increasing the SCRC for the subsequent six month period. The return will be calculated using the Stipulated Rate of Return set forth in the Settlement Agreement.

28. Transmission Cost Adjustment Mechanism

The Transmission Cost Adjustment Mechanism ("TCAM") will recover, on a fully reconciling basis, the costs incurred by the Company for transmission related services. These costs include charges under the NU System Company's FERC-filed transmission tariffs; charges billed to the Company by Other Transmission Providers; third party charges billed to the

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Company for transmission related services such as charges relating to the stability of the transmission system which the Company is authorized to recover by order of the regulatory agency having jurisdiction over such charges; and transmission-based assessments or fees billed by or through regulatory agencies, including those associated with the ISO-NE, regional transmission organization ("RTO") and the FERC. For purposes of this mechanism, "Other Transmission Providers" shall be defined as any transmission provider and any regional transmission group, an independent system operator, an RTO and their successors, or other such body with the oversight of regional transmission, in the event that any of these entities are authorized to bill the Company directly for their services.

The TCAM rates shall be established annually based on a forecast of includable costs, and shall also include a full reconciliation with interest for any overrecovery or underrecovery occurring in the prior year. The Company may file to change the TCAM rates at any time if a significant overrecovery or underrecovery occurs. Interest on overrecoveries or underrecoveries shall be calculated at the prime rate.

Any changes to rates determined under the TCAM shall only be made following a notice filed with the Commission setting forth the amount of the increase or decrease, the new rates for each rate class, and the effective date of such new rates.

#### 29. Electricity Consumption Tax Charge

On and after the Customer Choice Date, all Customers shall be obligated to pay the Electricity Consumption Tax Charge in accordance with New Hampshire Statute RSA Chapter 83-E, which may be revised from time to time, in addition to all other applicable rates and charges under this Tariff. The Electricity Consumption Tax Charge shall appear separately on all Customer bills. Any discounts provided for under a Special Contract shall not apply to the Electricity Consumption Tax Charge.

#### 30. System Benefits Charge

On and after the Customer Choice Date, and subject to Commission review, all Customers shall be obligated to pay the following System Benefits Charge in addition to all other applicable rates and charges under this Tariff. The System Benefits Charge shall appear separately on all Customer bills.

System Benefits Charge ..... 0.330 cents per kilowatt-hour

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### 31. Late Payment Charge

The rates and charges billed under this Tariff are net, billed monthly and payable upon presentation of the bill. However, Customers who receive Delivery Service under Residential Rate R, Residential Time-of-Day Rate R-OTOD, General Service Rate G, or General Service Time-of-Day Rate G-OTOD may elect to pay for all service rendered under these rates, as well as Default Energy Service Rate DE, on a Level Payment Plan available upon application to the Company.

For Customers rendered Delivery Service under Primary General Delivery Service Rate GV or Large General Delivery Service Rate LG or Backup Delivery Service Rate B, all amounts previously billed but remaining unpaid after the due date printed on the bill shall be subject to a late payment charge of one and one-half percent (1 ½ %) thereof, such amounts to include any prior unpaid late payment charges. For all other Customers, all amounts previously billed but remaining unpaid after the due date printed on the bill shall be subject to a late payment charge of one percent (1%) thereof, such amounts to include any prior unpaid late payment charges. The late payment charge is not applicable to a) residential Customers who are taking service under the statewide Electric Assistance Program (EAP) as approved by the Commission; b) residential Customers receiving protection from disconnection of service under any enhanced winter protection programs offered by PSNH; c) residential Customers whose electric bill is paid on their behalf (whether in part or in whole) through the Low Income Home Energy Assistance Program (LIHEAP); and d) past due balances of Residential Rate R, Residential Time-of-Day Rate R-OTOD, General Service Rate G, General Service Time-of-Day Rate G-OTOD, Outdoor Lighting Rate OL, or Energy Efficient Outdoor Lighting Rate EOL. Customers who are abiding by the terms of an extended payment arrangement agreed to by the Company.

### 32. Loss of Service Investigation Charge

If at the request of a Customer, the Company investigates any loss of electric service at the Customers' premises, a charge will be made for each such investigation if the Company finds the interruption of service has been caused by the Customer's equipment. The charges for this service are as follows:

For Customers rendered Delivery Service under Residential Rate R, Residential Time-of-Day Rate R-OTOD, General Service Rate G or General Service Time-of-Day Rate G-OTOD:

Investigations performed during normal business hours:	\$125 per investigation
Investigations performed outside normal business hours:	\$250 per investigation

For all other Customers, the Company shall have the right to charge the Customer for the total cost incurred to investigate the loss of service.

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### 33. Rates for Purchases from Qualifying Facilities

#### Availability:

This short-term purchase arrangement shall be available to Qualifying Facilities (QFs) interconnected with the Company. Qualifying Facilities shall mean small power producers and cogenerators that meet the criteria specified by (i) FERC in 18 C.F.R. §§ 292.203 (a) and (b); or; (ii) the definition of "limited producer" or "limited electrical energy producer" in NHRSA 362-A:1-a and who meet the requirements of RSA 362-A:3, II.

Nothing shall prohibit the Company from separately contracting for generation purchases from QFs. Nothing herein shall be construed to affect, modify or amend terms and conditions of an existing Qualifying Facility's contract or rate order with respect to the sale of its energy or capacity.

#### Selling Options:

QFs may sell to the Company or wheel through the Company. All generation sold to the Company shall be resold at the ISO-NE market clearing price and subject to appropriate charges as if the power was wheeled through the Company and sold directly to ISO-NE.

#### Metering:

Generators selling to the Company shall install metering as specified by the Company to satisfy ISO-NE requirements as they may change from time to time. Projects shall be charged a standard monthly service fee for metering service as approved by the appropriate regulatory agency.

#### Net Metering:

Projects 100 kilowatts and under using renewable generation shall have the option of being served under the Net Energy Billing Service as specified by NH RSA 362-A:9 and the rules promulgated by the appropriate regulatory agency.

#### Rates:

Qualifying Facilities selling their output to the Company will be eligible to receive Short Term Avoided Cost Rates equal to the payments received by the Company for the sale of QF generation to the ISO-NE power exchange, adjusted for line losses, wheeling costs and administrative costs incurred by the Company for the transaction. Projects shall be charged a standard monthly service fee for billing service as approved by the appropriate regulatory agency.

#### Wheeling Charges:

The Company reserves the right to impose any appropriate wheeling charges (including distribution wheeling charges) for generation transmitted through the Company and sold to ISO-NE and others as may be approved by the appropriate regulatory agency.

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34. Line Extensions

In areas in which Delivery Service by the Company is authorized, service is available under residential Delivery Service Rate Schedules Rate R and Rate R-OTOD and General Delivery Service Rate Schedules Rate G and Rate G-OTOD as follows:

- a. To all Customers on distribution lines as of July 1, 2007;
- b. To all Customers who can be served from overhead, single-phase extensions of existing distribution lines which average 300 feet or less per Customer, exclusive of normal service loops;
- c. To Customers who can be served from overhead, single-phase extensions along public highways, except for normal service loops, of existing distribution lines which average more than 300 feet per Customer but less than 5,280 feet per Customer and who have signed an agreement to pay monthly surcharges for a period of sixty (60) consecutive months equal in total to \$14.00 per 100 feet per month (14.0 cents per foot per month) of line in excess of 300 feet per Customer, each Customer's share of the total to be computed by allocating such total proportionally among the Customers to be served on the basis of the relative lengths of line required to serve each (after excluding the first 300 feet of line per Customer);
- d. To Customers who can be served from overhead, three-phase extensions along public highways, except for normal service loops, of existing distribution lines and who have signed an agreement to pay monthly surcharges for single-phase service in accordance with (c.) above and who have also signed an agreement to pay additional monthly surcharges for a period of sixty (60) consecutive months equal in total to 2.0% per month of the additional investment required to provide three-phase service over and above the investment required to provide single-phase service, including the cost of rebuilding existing facilities and adding phase wires where necessary but excluding the first \$525 per Customer for such additional investment and excluding the investment in service loops, meters and transformers;
- e. To Customers who would otherwise qualify for service under c. or d. above but who must be served from extensions located in whole or in part (exclusive of normal service loops) on private property, subject to the following provisions:
  - (1) An extension on private property will be made only if:

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- (i) Use of an alternate route entirely along public highways is not feasible, and
  - (ii) The prospective Customers provide, without expense or cost to the Company, the necessary permits, consents or easements for a satisfactory right-of-way for the erection, maintenance and operation of a line, including the right to cut and trim trees and bushes wherever necessary.
- (2) Each Customer shall sign an agreement to make payment as follows with respect to that portion of the extension which exceeds 300 feet per Customer (hereinafter referred to as the "excess"):
  - (i) For the portion of the excess located on private property, each Customer shall make a lump sum payment prior to the start of construction of the extension equal to such Customer's share of the estimated cost of constructing such portion of the excess (including clearing and tree trimming), such share to be computed by allocating such estimated cost proportionally among the Customers to be served on the basis of the relative lengths of line required to serve each (after excluding the first 300 feet of line per Customer), unless such costs are otherwise apportioned by agreement of the Customers in accordance with the provisions hereinafter.
  - (ii) In addition, for the portion, if any, of the excess located along a public highway, each Customer shall pay a monthly surcharge computed in accordance with the provisions of c. or d. above.

All extensions shall be and remain the property of the Company and shall be maintained by the Company; and

- f. To Customers who could be served from overhead extensions under the provisions of b., c., d. or e. above but who instead take service through extensions partially or totally underground provided in accordance with the provisions for underground electric distribution facilities specified in the Company's Requirements for Electric Service Connections.

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In addition to complying with any Company requirements relating to Customer payment of the excess cost of underground electric distribution facilities, such Customers shall be required to pay the same monthly surcharges and other payments as they would have been required to pay for totally overhead extensions as specified in c., d. or e above.

Subsequent provisions of this line extension policy which refer to c., d. or e. above shall be deemed to refer and apply equally to partially or totally underground extensions described in this section f.

In cases under c., d. and e. above, the monthly surcharges under the applicable rates and any lump sum payments on account of extensions on private property in accordance with e. (2) may be apportioned by agreement among the Customers to be served.

In cases under c., d. and e. above and for the duration of the agreement period, no additional Customers shall be entitled to receive service within the limits of the line extension unless an agreement to take service has been signed for the unexpired term of the original period. Such additional Customers shall pay single-phase and three-phase monthly surcharges in accordance with c., d. and e. above, and the monthly surcharges thereafter to all Customers taking service from the extension shall be determined by allocation in accordance with c. above.

In the case of an extension made under e. (2), the required lump sum payment shall be recomputed including such additional Customers, and the additional Customers shall pay to the Company their pro rata share of the lump sum payment required based on such recomputation. The amount of the reduction in the required lump sum payment shall be applied by the Company to reimburse proportionately each Customer having previously made a lump sum payment.

Additions may be made at any time to extensions constructed under the terms of c., d. and e. above. Should such an addition be made prior to the expiration of the original agreement period, the addition shall be computed as a unit with the original extension for the purpose of determining separately, in accordance with c. or e. (1) the monthly surcharge, or (2) the required lump sum payment (if any). A portion of any lump sum payment made by the additional Customers shall be applied by the Company to reimburse proportionately each Customer having previously made a lump sum payment. The agreement period for all additions to extensions shall be sixty (60) months, unless otherwise stated.

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Whenever a Customer applies for service at a location which was the subject of a previous line extension agreement, payments under which have not been completed, such Customer shall sign a line extension agreement for the number of months in the agreement period under the previous agreement minus the number of months billed under the previous agreement or agreements pertaining to such location.

The Company shall not be required to construct extensions under the above terms where it is necessary to cross a body of water, or to serve airport lighting, beacon lighting, street lighting, etc., or where the business to be secured will not be of reasonable duration or will tend in any way to constitute discrimination against other Customers of the Company.

Before service is available under the terms of this line extension policy, the Company may (a) require a prepayment equal to the total charges for the agreement period in addition to any required lump sum payment under e. (2), in which event, a portion of such prepayment equal to one (1) divided by the number of months in the agreement period will be credited to each month's bill or (b) require the Customer to agree that the Company shall have a lien on the Customer's real estate to secure payment of the Customer's obligations under the line extension agreement.

If service is terminated prior to the end of the agreement period, the prepayment balance will not be refunded unless and until a like amount is deposited by a new Customer requiring service at approximately the same location.

Except under unusual circumstances, the construction of line extensions will be carried on between April 15th and November 15th of each year.

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## TERMS AND CONDITIONS FOR ENERGY SERVICE PROVIDERS

The following terms and conditions shall apply to Energy Service Providers ("Suppliers") doing business within the Company's Service Area and to Customers where specified.

## 1. Obligations of Suppliers

- a. At all times, the Supplier must meet the registration and licensing requirements established by law and/or by the Commission and must comply with all applicable rules promulgated by the Commission.
- b. The Supplier or the Customer in the case of Self-Supply Service must be either a member of NEPOOL or have an agreement in place with a NEPOOL member whereby the NEPOOL member agrees to take responsibility for all the NEPOOL load obligations, including but not limited to losses and uplift costs, associated with supplying energy and capacity to the Customer's delivery point.
- c. The Supplier or the Customer in the case of Self-Supply Service shall be responsible for providing all the capacity and energy needs of the Customer and shall be responsible for any and all losses which include all distribution and transmission losses along the Local Network from the PTF Facilities to the Customer's delivery point.
- d. The Supplier shall provide the Company with at least 30 days' notice prior to either the cancellation of an agreement for load responsibility with NEPOOL or a NEPOOL member, or the termination of business in the Company's Service Area. The Supplier shall accept load responsibility for all its Customers, or have an agreement with a NEPOOL member which provides for accepting load responsibility for all its Customers, until the first meter read date for each respective customer occurring two business days after notice to the Company or transmittal of any Electronic Data Interchange ("EDI") to the Company.
- e. In the case of Self-Supply Service the Customer shall provide the Company with at least 30 days' notice prior to the cancellation of an agreement for load responsibility with either NEPOOL or a NEPOOL member. The Customer shall accept load responsibility or have an agreement with a NEPOOL member which provides for accepting load responsibility for the Customer until the Customer's first meter read date occurring at least two business days after notice has been received by the Company from the Customer.
- f. The Supplier shall satisfy all the EDI standards as approved by the Commission. A Supplier shall be required to complete testing of EDI transactions prior to the rendering of Supplier Service to any Customer.

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- g. Each Supplier shall be required to enter into a service contract with the Company that resolves issues associated with, among other things, information exchange, problem resolution, cash posting, and revenue liability. This contract must be entered into prior to initiation of Supplier Service to any Customer in the Company's Service Area.
- h. The Supplier shall be responsible for obtaining the Customer's authorization, in accordance with the Commission's rules, prior to the commencement of Supplier Service.
- i. The Supplier shall be responsible for obtaining the Customer's written authorization for the release of the Customer's load history to the Supplier by the Company.

In the event a Supplier doing business in the Company's Service Area fails to comply with the obligations specified above, the Supplier shall promptly notify the Company or the Company will promptly notify the Supplier. The Supplier shall undertake best efforts to re-comply with its obligations under this Tariff and the Commission's rules in a timely manner. Until the Supplier has re-satisfied its obligations, the Company reserves the right to deny any new customer enrollments from the Supplier. In the event the Supplier is unable or unwilling to re-satisfy its obligations, the Company may transfer the Suppliers' Customers to service under Default Service after notification to the Commission.

## 2. Services and Schedule of Charges

Where applicable, the Customer and/or Supplier will be obligated to pay the following fees and charges to the Company for the following services:

### (a) Customer Change of Supplier

The Company will be entitled to make a Selection Charge for any changes initiated by a Customer, Supplier, or an authorized agent to a different Supplier or to Default Service or Self-Supply Service. For customers who are currently taking Supplier Service, Default Service or Self-Supply Service, the Selection Charge will be assessed to the new Supplier at the time the Company receives an enrollment transaction from the new Supplier. For Customers who are currently taking Supplier Service, the Selection Charge will be assessed to the existing Supplier at the time the Company receives a drop transaction from the existing Supplier. The Selection Charge will be assessed to the Customer if the Customer terminates Self-Supply Service and receives Default Service or initiates Self-Supply Service when receiving Default Service or Supplier Service.

Selection Charge .....\$5.00 per Request

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(b) Customer Usage Data

Suppliers will be provided with monthly usage data, at no charge, via an EDI transaction in accordance with the guidelines adopted by the Commission. The Supplier is responsible for obtaining the Customer's written authorization to release this information and will be required to maintain the confidentiality of the Customer information. The Supplier may not sell or provide this information, in whole or in part, to another party.

(c) Interval Data Services

The Company will provide the following Interval Data Services for Suppliers and Customers who wish to acquire, develop or analyze time interval meter data from the Company's meter installed at the Customer's service location. The following services are limited to those Customers who are rendered service under the Company's Primary General Delivery Service Rate GV, Large General Delivery Service Rate LG and Backup Delivery Service Rate B. The interval data will be provided in 30 minute intervals.

The Supplier is responsible for obtaining the Customer's authorization to release his/her meter data and shall maintain the confidentiality of Customer information. The Supplier may not sell or provide this information, in whole or in part, to another party.

1. Interval Data Access Service

At its expense, the Company will provide metering equipment capable of providing the kilowatt-hour (KWH) and kilovar-hour (KVARH) interval data. This data will be collected by the Company and validated for accuracy.

(i) Subscription Service for Interval Data via Electronic Mail (E-mail), U.S. Mail or Internet Server

The Company will provide the monthly interval data in an electronic format to the Customer or Supplier via E-Mail, U.S. Mail, or the Company will post the monthly interval data files to an internet server designated by the Company. The Customer or Supplier is responsible for downloading the file containing the interval data from the internet server.

Single Delivery Service Account .....\$25.00 per Month

(ii) One-Time Request for Interval Data

If available, the Company will provide a Customer's historical interval data in an electronic format to the Customer or Supplier at the following rate:

Single Delivery Service Account .....\$50.00 per Request

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2. Load Pulse Outputs Service

This service is offered to Customers or Suppliers who desire a pulse output from the Company's meter. The Company will acquire and install the equipment to allow the Customer or Supplier to interface with the Company's metering equipment and enable the Customer or Supplier to have access to load pulse output. Pulses representing kilowatt-hours are usually requested, but other electrical quantities such as kilovar-hours are also available. The Customer or Supplier has the option to connect this output to their own interval data recorder or other load monitoring or load management devices. The Customer or Supplier is responsible for connecting their own devices to the load pulse output. The Load Pulse Outputs Service is available at no additional charge to Customers or Suppliers who receive service under the Extended Metering Service provided the Customer or Supplier provides and maintains a dedicated, dial-up, analog telephone line to the meter. The one-time fee for this service is as follows:

Load Pulse Output

Kilowatt-hour .....\$240 per Meter

Each Additional Meter Quantity .....\$125 per Meter

3. Extended Metering Service

This service is offered to Customers or Suppliers who desire telephone access directly to the Company's meter. The Company will acquire and install recording meters that can be accessed through a telephone line. Up to five meters can be read with one telephone line. The Customer or Supplier shall arrange for the installation and ongoing charges associated with the phone line required under this option. The Customer or Supplier will have "read-only" access through their own software to the Company's recording meter for direct retrieval of interval data from the meter. The Load Pulse Outputs Service is available at no additional charge to Customers or Suppliers who receive service under the Extended Metering Service provided the Customer or Supplier provides and maintains a dedicated, dial-up, analog telephone line to the meter. The one-time fee for this service is as follows:

Telephone Access Recording Meter .....\$148 per Telephone Line

4. Special Request Interval Data Service

The Company will provide Special Request Interval Data Service subject to mutual agreement. The Customer or Supplier may request the installation of a particular meter or communications device as long as the equipment meets all applicable Company standards and requirements. Any device installed on Company-owned equipment cannot interfere with the operation of the Company's equipment. Any communication device or meter approved for installation by the Company shall be owned, controlled and maintained by the Company. The requester shall bear all costs associated with the new product approval process as well as the installation, ownership and maintenance of the communication device or meter.

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## (d) Customer Load Analysis

The Company will provide Customer Load Analysis, as an optional service, to Suppliers. The analysis will be designed to meet individual Supplier needs, or to address specific questions. Such requests may include but are not limited to, thirty-minute or sixty-minute aggregation of demands for multiple metering points or the determination of demand and energy for varying on-peak and off-peak periods. The result of the analysis will be provided in an electronic format. The Supplier is responsible for obtaining the Customer's authorization to release this information and will be required to maintain the confidentiality of the Customer information. The Supplier may not sell or provide this information, in whole or in part, to another party.

Customer Load Analysis Charge .....\$60.00 per hour

## (e) Supplier Customer Service

The Company will provide Customer Service, as an optional service, to Suppliers who have entered into a written agreement for Billing and Payment Service with the Company and who have entered into a written agreement for Supplier Customer Service with the Company for a minimum of one year. Customer Service is defined as processing of standard Customer informational requests on behalf of a Supplier including Supplier balances, rate information, resolving disputes and processing Customer enrollment. This service is available for Supplier's Customers located within the Company's Service Area. This service includes inbound calls and does not include outbound telemarketing service to potential Customers or promoting new Supplier services to existing Customers. The charges shall be assessed monthly and based on minutes of call handling time as follows:

Supplier Customer Service Charge .....\$1.10 per minute

Nothing herein shall prohibit the Company and Supplier from negotiating an annual per customer fee for Customer Services. The Supplier will be responsible for establishing a separate toll free number to allow the number of calls to be tracked as well as allowing for individualization of services.

## (f) Billing and Payment Service

The Company will provide Billing and Payment Service as an option to Suppliers who have entered into a written agreement for Billing and Payment Service with the Company for a minimum of one year. The monthly Billing and Payment Service Charge, listed below, is for billing arrangements which can be accommodated by the Company's billing systems without significant programming changes:

Billing and Payment Service Charge .....\$ 0.50 per bill rendered  
Minimum Billing and Payment Service Charge .....\$ 100.00 per month

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The Company shall also provide, at its option, Billing and Payment Service for Supplier pricing options which require programming changes to the Company's billing systems. Suppliers will be assessed a one-time setup charge at the following rate to enable non-standard Supplier billing arrangements by the Company:

Programming Setup Charge.....\$95.00 per hour

Any request by the Supplier for Rate Maintenance and Error Correction service provided by the Company in support of Billing and Payment Service will be billed on a monthly basis using the hourly rate below. Rate Maintenance and Error Correction will include maintaining Supplier rates and pricing options in the Company's billing systems and calculating Customer billing adjustments due to Supplier errors in pricing.

Rate Maintenance and Error Correction Charge.....\$50.00 per hour

All Customer payments received by the Company shall be posted first to the Customer's balance with the Company and second to the Customer's balance with the Supplier.

(g) Collection Services

The Company will provide Collection Services in conjunction with Billing and Payment Service for Suppliers who have entered into a written agreement for such service with the Company for a minimum of one year. The Collection Services provided to Suppliers may be similar to collection activities employed by the Company for its own active and inactive delinquent accounts, except that such collection activities shall not include disconnection of service. Collection Services shall be billed monthly at the following rate:

Collection Services Charge.....0.252% of total monthly receivable dollars

3. Initiation and Termination of Supplier Service

(a) Initiation

To initiate Supplier Service to a Customer, the Supplier shall submit an Electronic Enrollment which shall comply with the EDI standard, as may be amended from time to time.

If the information on the Electronic Enrollment passes validation, the Company will send the Supplier a "Successful Enrollment" notice. Supplier Service shall commence on the date of the Customer's next meter read date, provided that the Supplier has submitted the Electronic Enrollment to the Company at least two business days prior to the scheduled meter read date. If the Company receives more than one Electronic Enrollment for the same Customer for the same enrollment period, the first successfully processed Electronic Enrollment shall be accepted. All subsequent Electronic Enrollments received during that enrollment period shall be rejected.

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If a Supplier's Electronic Enrollment fails to meet the requirements of this Tariff, the Company shall, within one business day of receipt of the Electronic Enrollment, notify the Supplier through an EDI Error notice.

(b) Termination

To terminate Supplier Service with a Customer, the Supplier of record shall submit electronically to the Company a valid "Supplier Drops Customer" transaction. Supplier Service shall terminate on the date of the Customer's next meter read date, provided that the "Supplier Drops Customer" transaction is submitted and successfully processed at least two business days prior to the Customer's scheduled meter read date. If the "Supplier Drops Customer" transaction is not received at least two business days prior to the scheduled meter read date, Supplier Service will terminate on the subsequent meter read date. The Company shall send a "Confirm Drop Date" transaction to the Supplier of record. The Supplier of record will be responsible for notifying the Customer of the termination date.

In cases where the Company uses estimated energy and demand values for billing purposes and the estimated bill coincides with the termination of Supplier Service, the Supplier shall agree to accept the estimated metering values as final values. The Company shall not be obligated to reconcile the estimated values after actual meter reading values are available.

(c) Customer Moves

If a Customer of record moves within the Company's Service Area and the Customer or designee notifies the Company prior to the initiation of Delivery Service at the new service location that he/she wishes to continue Supplier Service with the Supplier of record, the Company shall send a "Customer Move" notice to the Supplier and no Electronic Enrollment is necessary for the continuation of Supplier Service.

If a Customer of record initiates Delivery Service at a new service location, in addition to another established account within the Company's Service Area, the Customer shall be responsible for selecting a Supplier for the new service location. If an Electronic Enrollment is not received by the Company at least two business days before the initiation of Delivery Service, the Customer will be rendered energy and capacity under Default Service.

Unless the Company is notified otherwise by the Customer, the Company treats all applications for Delivery Service as a new Customer to the Service Area and the Customer will be rendered energy and capacity under Default Service at the new service location. In the event the Company is informed that the new application for Delivery Service is a Customer of record on or after the date Delivery Service is initiated, the Supplier will be notified either by the Customer Usage Information or the Customer Usage and Billing Information EDI transactions, if and when Delivery Service is terminated at the prior service location.

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(d) Other

In the event a Delivery Service account is terminated by either the Customer or the Company, such termination will be shown on either the Customer Usage Information or the Customer Usage and Billing Information EDI transactions.

4. Interruption, Disconnection and Refusal of Delivery Service

Any interruption, disconnection and refusal of Delivery Service by the Company shall be in accordance with this Tariff and the rules of the Commission. The Company shall not be liable for any revenue losses to Suppliers as a result of an interruption or disconnection of Delivery Service to an existing Customer.

In the event the Company refuses to supply or expand Delivery Service for any reason, the Company shall not be responsible for any losses or damages (direct, indirect or consequential) to a Supplier resulting from the corresponding loss of compensation.

5. Metering

The Company shall meter each Customer in accordance with Tariff provisions. Each Customer shall be metered or its load estimated such that the loads can be reported to the ISO-NE for inclusion in the Supplier's, or applicable NEPOOL member's, load calculations.

In the event a Supplier utilizes the Company's meter readings for billing purposes, the Company shall not be responsible for any loss or damage to a Supplier resulting from a failure of the Company's metering equipment to partially or fully register the amount of electricity consumed by a Customer.

Should a Supplier install metering equipment or any other equipment on Customer-owned facilities which interferes with the operation of the Company's metering equipment or any other Company-owned equipment, the Supplier shall undertake best efforts to remedy the interference in a timely manner and shall compensate the Company for any damages resulting from the interference. Failure to remedy the interference may result in the termination of Delivery Service after 30 days' notice to the Supplier and Customer.

The Company is not obligated to use metering data registered by Supplier-owned metering equipment for the purpose of billing Delivery Service under this Tariff or for reporting load to ISO-NE.

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#### 6. Determination of Hourly Loads for ISO-NE Reporting

For each Supplier, hourly loads for each day shall be estimated or telemetered and reported daily by the Company to the ISO-NE for inclusion in the Supplier's or applicable NEPOOL member's load calculations. Hourly load estimates for non-telemetered customers will be based upon load profiles developed by the Company for each Customer or customer class of the Company.

The Company shall normally report previous days' hourly loads to the ISO-NE by a specified time. These loads shall be included in the Supplier's load calculations.

To refine the estimates of the Supplier's loads that result from the estimated hourly loads, a monthly calculation shall be performed to incorporate the most recent Customer usage information, which is available after the monthly meter readings are processed.

The hourly loads shall be determined consistent with the following steps:

- (a) The Company shall identify or develop a load profile for each customer class or each Customer for use in each day's daily determination of hourly load.
- (b) The Company shall calculate the usage factor for each Customer that reflects the Customer's usage relative to the average usage for the class. This Customer usage factor shall be used to scale the class load profile when estimating the Customer's usage.
- (c) The Company shall develop estimates of hourly load profiles for the previous day for each Supplier such that the sum of the Supplier's loads equals the hourly metered loads collected each day. Distribution losses, which are included in the hourly metered Company loads, shall be fully allocated into Supplier loads. Losses on facilities linking generation to PTF Facilities shall be fully allocated into Supplier loads.

The process of Supplier load estimation involves statistical samples and estimating error. The Company shall not be responsible for any estimating errors and shall not be liable to the Supplier for any costs that are associated with such estimating errors.

The terms above are also applicable to Customers who are receiving Self-Supply Service.

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## 7. Liability

The Company shall have no liability with respect to any transaction or arrangement by or between a Customer and Supplier.

The Company and the Supplier shall indemnify and hold the other and their respective affiliates, and the directors, officers, employees, and agents of each of them (collectively, "Affiliates") harmless from and against any and all damages, costs (including attorneys' fees), fines, penalties, and liabilities, in tort, contract, or otherwise (collectively, "Liabilities"), resulting from claims of third parties arising, or claimed to have arisen, from the acts or omissions of such party in connection with the performance of its obligations under this Tariff. The Company and the Supplier shall waive recourse against the other party and its Affiliates for or arising from the non-negligent performance by such other party in connection with the performance of its obligations under this Tariff.

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RESIDENTIAL DELIVERY SERVICE RATE R

AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is for Delivery Service in individual urban, rural and farm residences and apartments. Service under this rate is available to those Customers who receive all of their electric service requirements hereunder, except that controlled electric service for thermal storage devices is available under Load Controlled Delivery Service Rate LCS and outdoor area lighting is available under Outdoor Lighting Delivery Service Rate OL.

This rate is not applicable to commercial purposes except as specified hereafter. Multiple use of Delivery Service within the residence through one meter shall be billed in accordance with the predominant use of the demand. When wired for connection to the same meter, Delivery Service under this rate shall include the residence and connecting and adjacent buildings used exclusively for noncommercial purposes.

The use of single-phase motors of 3 H.P. rating or less is permitted under this rate provided such use does not interfere with the quality of service rendered to other Customers. Upon written application to the Company, the use of larger motors may be authorized where existing distribution facilities permit.

CHARACTER OF SERVICE

Delivery Service supplied under this rate will be single-phase, 60 hertz, alternating current, normally three-wire at a nominal voltage of 120/240 volts.

RATE PER MONTH

Customer Charge ..... \$12.00 per month

Energy Charges:

Per Kilowatt-Hour

Distribution Charge..... 3.315¢

Transmission Charge ..... 1.035¢

Stranded Cost Recovery..... 1.052¢

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#### WATER HEATING - UNCONTROLLED

Uncontrolled water heating service is available under this rate when such service is supplied to approved water heaters equipped with either (a) two thermostatically-operated heating elements, each with a rating of no more than 5,500 watts, so connected or interlocked that they cannot operate simultaneously, or (b) a single thermostatically-operated heating element with a rating of no more than 5,500 watts. The heating elements or element shall be connected by means of an approved circuit to a separate water heating meter. Delivery Service measured by this meter will be billed monthly as follows:

Meter Charge .....\$4.25 per month

Energy Charges:

Distribution Charge.....1.625¢ per kilowatt-hour  
Transmission Charge .....0.800¢ per kilowatt-hour  
Stranded Cost Recovery .....1.052¢ per kilowatt-hour

#### WATER HEATING - CONTROLLED

Controlled off-peak water heating is available under this rate for a limited period of time at those locations which were receiving controlled off-peak water heating service hereunder on Customer Choice Date and which have continuously received such service hereunder since that date. Service under this rate at such locations shall continue to be available only for the remaining life of the presently-installed water heating equipment. No replacement water heaters shall be permitted to be installed for service under this rate at locations which otherwise would qualify for this service.

For those locations which qualify under the preceding paragraph, controlled off-peak water heating service is available under this rate when such service is supplied to approved storage type electric water heaters having an off-peak heating element with a rating of no more than 1,000 watts, or 20 watts per gallon of tank capacity, whichever is greater. The off-peak element shall be connected by means of an approved circuit to a separate water heating meter equipped with a time switch which makes energy available for 17 hours each day. Electricity used will be billed monthly as follows:

Meter Charge .....\$7.50 per month

Energy Charges:

Distribution Charge.....0.097¢ per kilowatt-hour  
Transmission Charge .....0.800¢ per kilowatt-hour  
Stranded Cost Recovery .....0.652¢ per kilowatt-hour

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## ELDERLY CUSTOMER DISCOUNT

Eligible Customers may receive an Elderly Customer Discount of ten percent (10%) from bill amounts computed under this rate for service rendered at their principal residence.

Eligible Customers are those Customers 70 years of age or older who are owners or renters of their principal residence or who normally pay a substantial portion of the cost of maintaining their principal residence who were receiving the Elderly Customer Discount pursuant to an applicable rate on February 1, 1982, and who have continuously received the Elderly Customer Discount since that date; provided that when an eligible Customer who has been receiving the discount deceases, a surviving spouse who would otherwise be eligible for the discount will be deemed to be an eligible Customer.

The covered provisions of this rate shall include all provisions relating to rates and charges (including the Customer charge and any meter charge) except for charges under the provision entitled "Service Charge", line extension surcharges, or any charges under Default Service. The covered provisions shall also include service under Load Controlled Delivery Service Rate LCS.

## SERVICE CHARGE

When the Company establishes or re-establishes a Delivery Service account for a Customer at a meter location, the Company will be entitled to assess a service charge in addition to all other charges under this rate. The service charge will be \$14.00 if the Company does not have to send an employee to the meter location to establish or re-establish Delivery Service. When it is necessary for the Company to send an employee to the meter location to establish or re-establish Delivery Service, the service charge will be \$35.00. When it is necessary for the Company to send an employee to the meter location outside of normal working hours to establish or re-establish Delivery Service, the service charge will be \$70.00. The Company will be entitled to assess an \$18.00 service charge when it is necessary to send an employee to the Customer location to collect a delinquent bill. This charge shall apply regardless of any action taken by the Company including accepting a payment, making a deferred payment arrangement or leaving a collection notice at the Customer's premises.

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000222

RESIDENTIAL TIME-OF-DAY  
DELIVERY SERVICE RATE R-OTOD

AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is for Delivery Service in individual urban, rural and farm residences and apartments. Service under this rate is available at the Customer's option to those Customers who have completed a written Application for Service and signed a Service Agreement and who receive all of their Delivery Service requirements hereunder, except that outdoor area lighting is available under Outdoor Lighting Delivery Service Rate OL.

This rate is not applicable to commercial purposes except as specified hereafter. Multiple use of service within the residence through one meter shall be billed in accordance with the predominant use of the demand. When wired for connection to the same meter, service under this rate shall include the residence and connecting and adjacent buildings used exclusively for noncommercial purposes.

The use of single-phase motors of 3 H.P. rating or less is permitted under this rate provided such use does not interfere with the quality of service rendered to other Customers. Upon written application to the Company, the use of larger motors may be authorized where existing distribution facilities permit.

LIMITATIONS ON AVAILABILITY

The availability of this rate to particular Customers is contingent upon the availability of time-of-use meters and personnel to administer the rate, all as determined by the Company.

Because the Company's distribution system and Customer service facilities have a limited electrical capacity, large and/or intermittent and irregular electrical loads can result in the overloading and damaging of said facilities and can adversely affect the quality of service to other Customers of the Company. Therefore, service under this rate shall not be available where, in the Company's judgment, sufficient distribution system capacity and Customer service facilities do not exist in order to supply the electrical requirements of the applicant unless the Service Agreement provides for a suitable cash payment or a satisfactory revenue guarantee to the Company, or both. Further, in the event that a Customer receiving service under this rate shall propose to materially increase the amount of Delivery Service required, the Customer shall give the Company prior written notice of this fact, thereby allowing the Company to ascertain whether sufficient distribution system capacity and Customer service facilities exist to serve the proposed increased requirement. Where the capacity or facilities do not exist, the Customer will not make the proposed increase until the Service Agreement shall be amended to provide for a suitable cash payment or a satisfactory revenue guarantee to the Company, or both.

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## SERVICE AGREEMENT

The term of the Service Agreement shall be one year, and shall continue thereafter until canceled by one month's notice to the Company by the Customer. The Customer will not be permitted to change from this rate to any other rate until the Customer has taken service under this rate for at least twelve months. However, upon payment by the Customer of a suitable termination charge, the Company may, at its option, waive this provision where a substantial hardship to the Customer would otherwise result.

## CHARACTER OF SERVICE

Service supplied under this rate will be single-phase, 60 hertz, alternating current, normally three-wire at a nominal voltage of 120/240 volts.

## RATE PER MONTH

Customer Charge .....\$28.00 per month

Energy Charges:

Per Kilowatt-Hour

Distribution Charges:

On-Peak Hours (7:00 a.m. to 8:00 p.m.  
weekdays excluding Holidays).....10.596¢

Off-Peak Hours (all other hours) .....0.155¢

Transmission Charges:

On-Peak Hours (7:00 a.m. to 8:00 p.m.  
weekdays excluding Holidays).....1.035¢

Off-Peak Hours (all other hours) .....0.676¢

Stranded Cost Recovery.....0.911¢

The On-Peak Hours shall be the hours after 7:00 a.m. and before 8:00 p.m. weekdays excluding holidays as defined in this Tariff. The Off-Peak Hours shall be all hours not included in the On-Peak Hours.

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## CAPACITY CHARGE

The Company's studies may show that, in order to more closely follow cost of service, it is necessary or desirable to utilize meters capable of measuring rate of taking of electric service in kilowatts. The Company may install such meters either for all Customers served under this rate or for only those Customers whose usage of electricity is uncharacteristic of this class. At any time, the Company may file a revision of the rate form and/or charges of this rate to provide for an appropriate capacity charge. After such revision of this rate, any Customer who is subject to higher billing under this rate will have the option of continuing to take service under this rate or to take service under any other rate of the Company's Tariff which may be available.

## WATER HEATING - UNCONTROLLED

Uncontrolled water heating service is available when such service is supplied to approved water heaters equipped with either (a) two thermostatically-operated heating elements, each with a rating of no more than 5,500 watts, so connected or interlocked that they cannot operate simultaneously, or (b) a single thermostatically-operated heating element with a rating of no more than 5,500 watts. The heating elements or element shall be connected by means of an approved circuit to a separate water heating meter. Service measured by this meter will be billed monthly as follows:

Meter Charge.....\$4.25 per month

### Energy Charges:

Distribution Charge.....1.625¢ per kilowatt-hour  
Transmission Charge .....0.800¢ per kilowatt-hour  
Stranded Cost Recovery.....1.052¢ per kilowatt-hour

## WATER HEATING - CONTROLLED

Controlled off-peak water heating is available under this rate for a limited period of time at those locations which were receiving controlled off-peak water heating service hereunder on Customer Choice Date and which have continuously received such service hereunder since that date. Service under this rate at such locations shall continue to be available only for the remaining life of the presently-installed water heating equipment. No replacement water heaters shall be permitted to be installed for service under this rate at locations which otherwise would qualify for this service.

For those locations which qualify under the preceding paragraph, controlled off-peak water heating service is available under this rate when such service is supplied to approved storage type electric water heaters having an off-peak heating element with a rating of no more than 1,000 watts, or 20 watts per gallon of tank capacity, whichever is greater. The off-peak element shall be connected by means of an approved circuit to a separate water heating meter equipped with a time switch which makes energy available for 17 hours each day. Electricity used will be billed monthly as follows:

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Meter Charge.....\$7.50 per month

Energy Charges:

Distribution Charge.....0.097¢ per kilowatt-hour

Transmission Charge .....0.800¢ per kilowatt-hour

Stranded Cost Recovery.....0.652¢ per kilowatt-hour

SERVICE CHARGE

When the Company establishes or re-establishes a Delivery Service account for a Customer at a meter location, the Company will be entitled to assess a service charge in addition to all other charges under this rate. The service charge will be \$14.00 if the Company does not have to send an employee to the meter location to establish or re-establish Delivery Service. When it is necessary for the Company to send an employee to the meter location to establish or re-establish Delivery Service, the service charge will be \$35.00. When it is necessary for the Company to send an employee to the meter location outside of normal working hours to establish or re-establish Delivery Service, the service charge will be \$70.00. The Company will be entitled to assess an \$18.00 service charge when it is necessary to send an employee to the Customer location to collect a delinquent bill. This charge shall apply regardless of any action taken by the Company including accepting a payment, making a deferred payment arrangement or leaving a collection notice at the Customer's premises.

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RESIDENTIAL ELECTRIC ASSISTANCE PROGRAM RATE EAP

AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is available to the primary residence of residential Customers with a household income equal to or less than 185% of the federal poverty guidelines subject to the availability of funds for this program. Customers may apply for this rate with the Electric Assistance Program Administrator (Administrator) designated by the Public Utilities Commission. The Administrator will determine initial eligibility for Rate EAP and the appropriate Percent Discount level. The Administrator will also re-certify Customers on or before the expiration date of the Customer's certification period. Billing for service under this rate shall commence on the date of the Customer's next meter read date (Effective Date) following the receipt by the Company of a certification notification transaction from the Administrator. Service under this rate shall continue until the Company receives a removal notification transaction from the Administrator, except that in the event the Customer terminates Delivery Service and does not request Delivery Service within 30 days, the Company may immediately remove the Customer from the Electric Assistance Program without notice.

This rate is available in conjunction with the Company's Residential Delivery Service Rate R or Residential Time-of-Day Delivery Service Rate R-OTOD. Therefore, service shall be provided in accordance with the terms and conditions of Rate R or Rate R-OTOD as now or hereafter effective, except as specifically provided otherwise in this rate.

PERCENT DISCOUNT

Customers will be billed for Delivery Service under Residential Delivery Service Rate R or Residential Time-of-Day Delivery Service Rate R-OTOD and, if applicable, for Energy Service under Default Energy Service Rate DE, except that a Percent Discount will be applied to all applicable Delivery Service and Energy Service rate charges including the Customer Charge and any Meter Charge, the Distribution Charge, the Transmission Charge, the Stranded Cost Recovery Charge, the System Benefits Charge and any charges under Default Energy Service. The Percent Discount will not be applied to the Electricity Consumption Tax, Line Extension Surcharges, Returned Check Charges or Service Charges. The Percent Discount cannot be applied to or combined with the Elderly Customer Discount. The covered provisions of this rate shall also include service under Load Controlled Delivery Service Rate LCS and Outdoor Lighting Delivery Service Rate OL.

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The following percent discounts apply,

<u>Tier</u>	<u>Discount</u>	<u>Percentage of Federal Poverty Guidelines</u>
1	5%	176% to 185%
2	7%	151% to 175%
3	18%	126% to 150%
4	33%	101% to 125%
5	48%	76% to 100%
6	70%	up to 75%

## DEPOSITS

Deposits obtained by the Company prior to the Effective Date of service under this rate plus interest accrued thereon due to four consecutive disconnect notices, disconnection of service, or failure to provide satisfactory evidence of intent to remain at the service location for a period of twelve consecutive months shall be reviewed to ensure that the deposit amount plus accrued interest does not exceed the Customer's total bill for two high use months. To the extent the deposit exceeds the total bill amount of two high use months discounted by the Percent Discount the customer will receive on future bills under this rate, the difference shall be first applied to any outstanding balance owed to the Company by the Customer after the crediting of qualifying pre-program past due balances. Any remaining difference shall be refunded to the Customer within two months following the Effective Date of service under this rate. All other deposits obtained by the Company prior to the Effective Date of service under this rate shall be first applied to any outstanding balance owed to the Company by the Customer after the crediting of qualifying pre-program past due balances. Any remaining deposit amount shall be refunded to the Customer within two months following the Effective Date of service under this rate.

When deposits are required from Customers receiving service under this rate, the deposit shall not be more than the estimated bill for Delivery Service and Energy Service, if applicable, for a period of two high use months reduced by the amount of the Percent Discount when those months were incurred prior to the Effective Date of service under this rate.

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GENERAL DELIVERY SERVICE RATE G

AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is for Delivery Service for any use. It is available to (1) those Customers at existing delivery points who were receiving service hereunder on General Service Rate G on January 1, 1983, and who have continuously received service under that rate and this successor since that date, and (2) all other Customers whose loads as defined for billing purposes do not exceed 100 kilowatts. Service rendered hereunder shall exclude all backup and standby service provided under Backup Delivery Service Rate B.

Customers taking service under this rate shall provide any necessary transforming and regulating devices on the Customer's side of the meter. Controlled electric service for thermal storage devices is available under Load Controlled Service Rate LCS and outdoor area lighting is available under Outdoor Lighting Delivery Service Rate OL.

CHARACTER OF SERVICE

Delivery Service supplied under this rate will be 60 hertz, alternating current, either (a) single-phase, normally three-wire at a nominal voltage of 120/240 volts, or (b) three-phase, normally at a nominal voltage of 120/208 or 277/480 volts. Three-phase, three-wire service at a nominal voltage of 240, 480 or 600 volts is available only to those Customers at existing locations who were receiving such service on February 1, 1986, and who have continuously received such service since that date. In underground secondary network areas, Delivery Service will be supplied only at a nominal voltage of 120/208 volts.

RATE PER MONTH

	<u>Single-Phase Service</u>	<u>Three-Phase Service</u>
Customer Charge .....	\$13.50 per month	\$27.00 per month
Customer's Load Charges:	<u>Per Kilowatt of Customer Load in Excess of 5.0 Kilowatts</u>	
Distribution Charge.....	\$7.80	
Transmission Charge .....	\$2.68	
Stranded Cost Recovery.....	\$0.59	

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Energy Charges:

Per Kilowatt-Hour

Distribution Charges:

First 500 kilowatt-hours .....	5.376¢
Next 1,000 kilowatt-hours .....	1.332¢
All additional kilowatt-hours .....	0.472¢

Transmission Charge

First 500 kilowatt-hours .....	0.964¢
Next 1,000 kilowatt-hours .....	0.363¢
All additional kilowatt-hours .....	0.195¢

Stranded Cost Recovery .....	0.850¢
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WATER HEATING - UNCONTROLLED

Uncontrolled water heating service is available under this rate when such service is supplied to approved water heaters equipped with either (a) two thermostatically-operated heating elements, each with a rating of no more than 5,500 watts, so connected or interlocked that they cannot operate simultaneously, or (b) a single thermostatically-operated heating element with a rating of no more than 5,500 watts. The heating elements or element shall be connected by means of an approved circuit to a separate water heating meter. Service measured by this meter will be billed monthly as follows:

Meter Charge .....	\$4.25 per month
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Energy Charges:

Distribution Charge.....	1.625¢ per kilowatt-hour
Transmission Charge .....	0.800¢ per kilowatt-hour
Stranded Cost Recovery.....	1.052¢ per kilowatt-hour

WATER HEATING - CONTROLLED

Controlled off-peak water heating is available under this rate for a limited period of time at those locations which were receiving controlled off-peak water heating service hereunder on Customer Choice Date and which have continuously received such service hereunder since that

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date. Service under this rate at such locations shall continue to be available only for the remaining life of the presently-installed water heating equipment. No replacement water heaters shall be permitted to be installed for service under this rate at locations which otherwise would qualify for this service.

For those locations which qualify under the preceding paragraph, controlled off-peak water heating service is available under this rate when such service is supplied to approved storage type electric water heaters having an off-peak heating element with a rating of no more than 1,000 watts, or 20 watts per gallon of tank capacity, whichever is greater. The off-peak element shall be connected by means of an approved circuit to a separate water heating meter equipped with a time switch which makes energy available for 17 hours each day. Electricity used will be billed monthly as follows:

Meter Charge.....\$7.50 per month

Energy Charges:

Distribution Charge.....0.097¢ per kilowatt-hour

Transmission Charge .....0.800¢ per kilowatt-hour

Stranded Cost Recovery.....0.652¢ per kilowatt-hour

SPACE HEATING SERVICE

Space heating service is available under this rate at those locations which were receiving space heating service under the Transitional Space Heating Service Rate TSH prior to Customer Choice Date and which have continuously received such service since that date. Customers at such locations who have elected this rate shall have the electricity for such service billed separately on a monthly basis as follows:

Meter Charge.....\$2.70 per month

Energy Charges:

Distribution Charge.....2.636¢ per kilowatt-hour

Transmission Charge .....0.964¢ per kilowatt-hour

Stranded Cost Recovery.....1.301¢ per kilowatt-hour

Space heating equipment served under this rate, including heat pumps and associated air circulating equipment, shall be wired by means of approved circuits to permit measurement of such equipment's additional demand and energy use.

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Customers taking space heating service under this rate at locations where the regular power and lighting service is delivered at primary voltage level or above shall be required to provide at the Customers' expense suitable transforming, controlling and regulating apparatus, acceptable to and approved by the Company, for the space heating service in the same manner as for the power and lighting service, so that deliveries of all electric service may be made by the Company at the same voltage level.

#### CUSTOMER'S LOAD

Customer's load is defined as the greatest rate of taking Delivery Service in kilowatts for any thirty (30) minute interval during the current monthly billing period.

Customer's load shall be measured whenever (a) such load is known or estimated to be 5.0 kilowatts or more, or (b) the Customer's use of service is 750 kilowatt-hours or more per month for three (3) consecutive months. However, any Customer's load may be measured at the Company's option. When measured, Customer's load shall be determined to the nearest one-tenth (0.1) kilowatt for billing purposes.

#### SERVICE CHARGE

When the Company establishes or re-establishes a Delivery Service account for a Customer at a meter location, the Company will be entitled to assess a service charge in addition to all other charges under this rate. The service charge will be \$14.00 if the Company does not have to send an employee to the meter location to establish or re-establish Delivery Service. When it is necessary for the Company to send an employee to the meter location to establish or re-establish Delivery Service, the service charge will be \$35.00. When it is necessary for the Company to send an employee to the meter location outside of normal working hours to establish or re-establish Delivery Service, the service charge will be \$70.00. The Company will be entitled to assess an \$18.00 service charge when it is necessary to send an employee to the Customer location to collect a delinquent bill. This charge shall apply regardless of any action taken by the Company including accepting a payment, making a deferred payment arrangement or leaving a collection notice at the Customer's premises.

Short-term, seasonal or transient Customers who take service at temporary locations shall pay for the cost of installing and removing the necessary poles, wires, transformers, cable and other equipment in addition to the foregoing service charge.

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GENERAL TIME-OF-DAY DELIVERY SERVICE RATE G-OTOD

AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is for Delivery Service to Customers who utilize electric thermal storage devices and other applications approved by the Company. It is available to Customers whose loads as defined for billing purposes do not exceed 100 kilowatts. Service is available at the Customer's option to those Customers who have completed a written Application for Service and signed a Service Agreement, and who receive all of their Delivery Service requirements hereunder, except that outdoor area lighting is available under Outdoor Lighting Service Rate OL.

Customers taking service under this rate shall provide any necessary transforming and regulating devices on the Customer's side of the meter.

LIMITATIONS ON AVAILABILITY

The availability of this rate to particular Customers is contingent upon the availability of time-of-use meters and personnel to administer the rate, all as determined by the Company.

Because the Company's distribution system and Customer service facilities have a limited electrical capacity, large and/or intermittent and irregular electrical loads can result in the overloading and damaging of said facilities and can adversely affect the quality of service to other Customers of the Company. Therefore, service under this rate shall not be available where, in the Company's judgment, sufficient distribution system capacity and Customer service facilities do not exist in order to supply the electrical requirements of the applicant unless the Service Agreement provides for a suitable cash payment or a satisfactory revenue guarantee to the Company, or both. Further, in the event that a Customer receiving service under this rate shall propose to materially increase the amount of Delivery Service required, the Customer shall give the Company prior written notice of this fact, thereby allowing the Company to ascertain whether sufficient distribution system capacity and Customer service facilities exist to serve the proposed increased requirement. Where the capacity or facilities do not exist, the Customer will not make the proposed increase until the Service Agreement shall be amended to provide for a suitable cash payment or a satisfactory revenue guarantee to the Company, or both.

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## SERVICE AGREEMENT

The term of the Service Agreement shall be one year, and shall continue thereafter until canceled by one month's notice to the Company by the Customer. The Customer will not be permitted to change from this rate to any other rate until the Customer has taken service under this rate for at least twelve months. However, upon payment by the Customer of a suitable termination charge, the Company may, at its option, waive this provision where a substantial hardship to the Customer would otherwise result.

## CHARACTER OF SERVICE

Service supplied under this rate will be 60 hertz, alternating current, either (a) single-phase, normally three-wire at a nominal voltage of 120/240 volts or (b) three-phase, normally at a nominal voltage of 120/208 or 277/480 volts. Three-phase, three-wire service at a nominal voltage of 240, 480 or 600 volts is available only to those Customers at existing locations who were receiving such service on February 1, 1986, and who have continuously received such service since that date. In underground secondary network areas, service will be supplied only at a nominal voltage of 120/208 volts.

## RATE PER MONTH

	<u>Single-Phase Service</u>	<u>Three-Phase Service</u>
Customer Charge .....	\$35.00 per month	\$50.00 per month
Customer's Load Charges:	<u>Per Kilowatt of Customer Load</u>	
Distribution Charge.....	\$10.90	
Transmission Charge .....	\$1.77	
Stranded Cost Recovery .....	\$0.23	
Energy Charges:	<u>Per Kilowatt-Hour</u>	
Distribution Charges:		
On-Peak Hours (7:00 a.m. to 8:00 p.m. weekdays excluding Holidays).....	3.771¢	
Off-Peak Hours (all other hours) .....	0.591¢	
Stranded Cost Recovery .....	0.678¢	

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### CUSTOMER'S LOAD

Customer's load is defined as the greatest rate of taking service in kilowatts for any thirty (30) minute interval during on-peak hours of the current monthly billing period. On-peak hours shall be the hours of 7:00 a.m. through 8:00 p.m. weekdays excluding Holidays as defined in this Tariff.

### SERVICE CHARGE

When the Company establishes or re-establishes a Delivery Service account for a Customer at a meter location, the Company will be entitled to assess a service charge in addition to all other charges under this rate. The service charge will be \$14.00 if the Company does not have to send an employee to the meter location to establish or re-establish Delivery Service. When it is necessary for the Company to send an employee to the meter location to establish or re-establish Delivery Service, the service charge will be \$35.00. When it is necessary for the Company to send an employee to the meter location outside of normal working hours to establish or re-establish Delivery Service, the service charge will be \$70.00. The Company will be entitled to assess an \$18.00 service charge when it is necessary to send an employee to the Customer location to collect a delinquent bill. This charge shall apply regardless of any action taken by the Company including accepting a payment, making a deferred payment arrangement or leaving a collection notice at the Customer's premises.

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## LOAD CONTROLLED DELIVERY SERVICE RATE LCS

### AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part and as provided hereinafter, the radio-controlled option of this rate is available for separately metered and controlled Delivery Service to electric thermal storage devices and to conventional electric space heating when a dynamic electric thermal storage system or a wood stove or coal stove is available for use as a backup during times when service is interrupted by the Company and other applications approved by the Company. Service under the 8-hour, 10-hour and 11-hour options is available only at those locations which were receiving service under one of these options under Load Controlled Service Rate LCS or Controlled Off-Peak Electric Water Heating Service Rate COPE on October 1, 2004 and which have continuously received such service since that date.

The availability of the radio-controlled option in conjunction with a wood stove or coal stove shall be limited to those premises which have electric space heating equipment as the sole source of space heating, excluding the wood stove or coal stove. Such wood stove or coal stove must be permanently installed and sized to adequately heat the main living area of the premises.

Service under this rate is available at the Customer's option to those Customers whose electric thermal storage or other equipment has been approved by the Company for load control as provided hereinafter. Such equipment must be connected to a separate circuit to which no other electrical load shall be connected.

Radio-Controlled Option - Delivery service will be subject to interruptions of up to eight (8) hours during each twenty-four (24) hour day between 7:00 a.m. and 11:00 p.m. Each interruption will not exceed four (4) hours and the time between two consecutive interruptions will be no less than two (2) hours.

8-Hour Option - Delivery Service will be available for eight (8) nighttime hours determined by the Company during each twenty-four (24) hour day.

10-Hour Option - Delivery Service will be available for eight (8) nighttime hours and two (2) shoulder hours as determined by the Company, during each twenty-four (24) hour day.

11-Hour Option - Delivery Service will be available for eleven (11) hours determined by the Company during each twenty-four (24) hour day.

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This rate is intended as a rider applicable to Residential Delivery Service Rate R or General Delivery Service Rate G. Therefore, service under this rate must be taken in conjunction with service provided under either Rate R or Rate G in accordance with the terms and conditions therein as now or hereafter effective except as may be specifically provided otherwise in this rate.

#### LIMITATIONS ON AVAILABILITY

Service under this rate shall not be available where, in the Company's judgment, sufficient distribution system capacity does not exist in order to supply the electrical requirements of the applicant unless the Customer provides for a suitable cash payment or a satisfactory revenue guarantee to the Company, or both.

The availability of this rate is also contingent upon the availability to the Company of personnel and/or other resources necessary to provide service under this rate.

#### TERM

The term of service under this rate shall be one year, and shall continue thereafter until canceled by one month's notice to the Company by the Customer. The Customer will not be permitted to change from this rate to any other rate until the Customer has taken service under this rate for at least twelve months. However, upon payment by the Customer of a suitable termination charge, the Company may, at its option, waive this provision where a substantial hardship to the Customer would otherwise result.

#### RATE PER MONTH

##### Customer Charges:

Radio-Controlled Option .....	\$8.75 per month
8-Hour, 10-Hour or 11-Hour Option.....	\$7.50 per month

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Energy Charges:

Per Kilowatt-Hour

Distribution Charges:

Radio-Controlled Option or 8-Hour Option .....	0.097¢
10-Hour or 11-Hour Option .....	1.958¢
Transmission Charge .....	0.800¢
Stranded Cost Recovery .....	0.652¢

METERS

Under this rate, the Company will install one meter with appropriate load control devices.

ELECTRIC THERMAL STORAGE EQUIPMENT APPROVED FOR LOAD CONTROL

Load Controlled Service is available under this rate to electric thermal storage installations meeting the Company's specifications as to type, size and electrical characteristics in accordance with the following guidelines.

I. Electric Thermal Storage Space Heating Equipment

Adequate control and switching equipment must be installed to provide capability for staggering the commencement of the charging period with respect to other electric thermal storage devices and for permitting partial charging on warmer days, and for controlling service to the thermal storage devices.

The storage capability of the electric thermal storage device must be adequate to heat the Customer's whole premises under design conditions and must be properly sized to ensure a constant rate of charging during the period which service under this rate is available as determined by the Company in accordance with its customary procedures. A smaller-sized electric thermal storage device may be approved by the Company for use in the Customer's premises under the Radio-Controlled Option.

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## II. Electric Thermal Storage Water Heating

Load Controlled Service for electric thermal storage water heating is available under this rate when service is taken in conjunction with electric thermal storage space heating and at those locations which were receiving service under the Controlled Off-Peak Electric Water Heating Service Rate COPE on October 1, 2004 and which have continuously received such service since that date.

Service shall be supplied to electric thermal storage water heaters having either (i) two thermostatically-operated top and bottom heating elements, each with a rating of no more than 4,500 watts or forty (40) watts per gallon of storage capacity, whichever is greater, or (ii) a single thermostatically-operated heating element with a rating of 4,500 watts or forty (40) watts per gallon of storage capacity, whichever is greater. When there are two elements, both top and bottom elements must be connected and wired for Load Controlled Service, and must be connected or interlocked so that they cannot operate simultaneously.

The storage capacity of all electric thermal water heaters installed under the Radio-Controlled Option shall be forty (40) gallons or more. The storage capacity of all electric thermal water heaters installed under the 8-Hour, 10-Hour and 11-Hour Options shall be eighty (80) gallons or more. At the Company's option, smaller tanks may be installed for use in an individual apartment of a multi-family building under the 8-Hour, 10-Hour and 11-Hour Options.

## INCREASED WATER HEATING CAPABILITY

Electric thermal storage water heating with switching capabilities for increasing the capability of the Customer's water heating equipment is available under this rate at those locations which had switching capability installed on or before January 1, 1994 and which have continuously received such service since that date. The element or elements must be connected and wired such that increased water heating capability is provided under Rate R or Rate G. Customers with installed switching capability will be billed an additional \$1.25 per month as a Customer charge. Switching capability is not available under the Radio-Controlled Option.

## FEE FOR EMERGENCY CHARGING

If, due to an electrical outage or equipment malfunction, emergency charging of electric thermal storage devices is required at any time during which Delivery Service under this rate is not normally available, the Company will perform such charging upon sufficient notification. If charging is necessitated as a result of a malfunction of the Customer's equipment, the Company may assess the Customer a fee for such charging.

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PRIMARY GENERAL DELIVERY SERVICE RATE GV

AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is for high voltage Delivery Service. It is available upon the signing of a Service Agreement for such service at specified delivery points to Customers whose maximum demand shall not exceed 1,000 kilowatts. Service rendered hereunder shall exclude backup and standby service provided under Backup Delivery Service Rate B. Outdoor area lighting is available under Outdoor Lighting Delivery Service Rate OL.

Suitable transforming, controlling and regulating apparatus, acceptable to and approved by the Company, shall be provided at the expense of the Customer. In locations in which space limitations or other factors make it impossible or inadvisable, in the opinion of the Company, for the Customer to have transforming apparatus devoted to its exclusive use, and in secondary network areas in which primary service is not made available by the Company at its option, Delivery Service shall be supplied from Company-owned transforming apparatus which also supplies other Customers. In such cases, this rate is available provided the Customer pays an annual rental charge equal to eighteen percent (18.0%) of the cost of the equivalent transformer capacity the Customer would furnish or rent to serve the load if exclusive use of a transformer bank by him were possible or if primary, three-phase service were available and provided the Customer pays in full the estimated cost of installing such equivalent transformer capacity at the time Delivery Service is initiated.

CHARACTER OF SERVICE

Delivery Service supplied under this rate will be three-phase, 60 hertz, alternating current, at a nominal voltage determined by the Company, generally 2,400/4,160, 4,800/8,320, 7,200/12,470, or 19,920/34,500 volts. A reasonably balanced load between phases shall be maintained by the Customer.

RATE PER MONTH

Customer Charge .....\$180.00 per month

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Demand Charges:

Per Kilowatt of Maximum Demand

Distribution Charges:

First 100 kilowatts.....	\$4.80
Excess Over 100 kilowatts.....	\$4.45
Transmission Charge .....	\$3.58
Stranded Cost Recovery .....	\$0.56

Energy Charges:

Per Kilowatt-Hour

Distribution Charges:

First 200,000 kilowatt-hours.....	0.651¢
All additional kilowatt-hours .....	0.540¢
Stranded Cost Recovery .....	0.815¢

SPACE HEATING SERVICE

Space heating service is available under this rate at those locations which were receiving space heating service under the space heating provisions of Transitional Space Heating Service Rate TSH prior to Customer Choice Date and which have continuously received such service since that date. Customers at such locations who have elected this rate shall have the electricity for such service billed separately on a monthly basis as follows:

Meter Charge .....\$2.70 per month

Energy Charges:

Distribution Charge.....	2.636¢ per kilowatt-hour
Transmission Charge .....	0.964¢ per kilowatt-hour
Stranded Cost Recovery .....	1.301¢ per kilowatt-hour

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000241

Space heating equipment served under this rate, including heat pumps and associated air circulating equipment, shall be wired by means of approved circuits to permit measurement of such equipment's additional demand and energy use.

Customers taking space heating service under this rate at locations where the regular power and lighting service is delivered at primary voltage level or above shall be required to provide at the Customers' expense suitable transforming, controlling and regulating apparatus, acceptable to and approved by the Company, for the space heating service in the same manner as for the power and lighting service, so that deliveries of all electric service may be made by the Company at the same voltage level.

#### PRIMARY METERING LOSS ADJUSTMENT

When at the Company's option Delivery Service is metered at delivery voltage (2,400 volts nominal and above), all demand and energy meter readings shall be reduced by one and three-quarters percent (1.75%). Where feasible and at the Company's option, a value other than one and three-quarters percent (1.75%) may be used when specific data is available and this value is a more accurate representation of electrical losses.

#### MAXIMUM DEMAND

The kilowatt (KW) demand and, at the Company's option, the kilovolt-ampere (KVA) demand during each thirty-minute interval of the current monthly billing period shall be determined by measurement. Maximum demand shall be determined to the nearest whole (1.0) kilowatt (KW) or kilovolt-ampere (KVA) for billing purposes and shall be defined as the greater of:

- (1) the highest kilowatt (KW) demand registered during the on-peak hours of said period or if kilovolt-ampere (KVA) demand is measured, the greater of (a) the highest kilowatt (KW) demand during said period or, (b) 80 percent of the highest kilovolt-ampere (KVA) demand measured of said period or,
- (2) fifty percent (50%) of the maximum demand, as defined above, occurring during off-peak hours.

#### OFF-PEAK PERIODS

The off-peak period shall be the period including the hours after 8:00 p.m. and before 7:00 a.m. Monday through Friday, and the entire day on Saturdays, Sundays, and Holidays as defined in this Tariff. The on-peak period shall be all hours not included in the off-peak period.

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000242



## CONTRACT TERM

The contract term shall be for not less than one year and for such longer periods as maybe determined by the operation of the sections in this rate entitled "Guarantees" and "Apparatus".

## GUARANTEES

- (a) When the estimated expenditure necessary to deliver electrical energy properly to a Customer's premises shall be of such an amount that the income to be derived from the delivery of such energy at the rate herein established, including the monthly minimum charge, will be insufficient to warrant such expenditure, the Company may require the Customer to guarantee a minimum annual payment for a term of years and/or to pay the whole or a part of the cost of extending, enlarging, or rebuilding its facilities to supply the Customer's premises or other reasonable payments in addition to the payments otherwise provided herein.
- (b) Except as provided by the Terms and Conditions and as modified by the provisions of Paragraph (a) of this section, and exclusive of any charges made under the provisions of the section in this rate entitled "Apparatus" and if applicable, for Default Energy Service, the minimum charge shall be \$830 per month.

## APPARATUS

Substation foundations, structures, and all necessary controlling, regulating, and transforming apparatus shall be furnished, owned, and maintained by the Customer at the Customer's expense. However, controlling, regulating, and transforming apparatus may be rented from the Company at a charge of eighteen percent (18.0%) per year of the equipment cost. The cost of installing such equipment shall be paid in full at the time service is initiated. In no event shall the Company be required to rent apparatus to the Customer the total cost of which shall exceed \$10,000 or to rent pole-mounted apparatus. In the event a Customer-owned structure supporting a Company owned pole-mounted transformer is deemed insufficient or threatened by trees or other hazards, the Company reserves the right to terminate the existing rental agreement and to remove the transformer upon 90 days written notice to the Customer. In cases where the Customer elects to rent apparatus from the Company, the Customer shall guarantee, in addition to any other guarantees, to continue to pay rental therefor for a period of not less than four (4) years. Should the Customer discontinue service before four (4) years shall have elapsed, the guaranteed rental then unpaid shall immediately become due and payable.

## METERING

The Company may install one or more meters at its option. Metering shall be located on the low voltage side of the Customer's transforming apparatus provided, however, that metering may be at delivery voltage at the option of the Company.

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000243

LARGE GENERAL DELIVERY SERVICE RATE LG

AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is for high voltage Delivery Service. It is available upon the signing of a Service Agreement for such service at specified delivery points to Customers whose loads are larger than those that would be permitted under Rate GV of this Tariff. Service rendered hereunder shall exclude all backup and standby service provided under Backup Delivery Service Rate B. Outdoor area lighting is available under Outdoor Lighting Delivery Service Rate OL. Substation foundations and structures, and suitable controlling, regulating, and transforming apparatus, all of which shall be acceptable to and approved by the Company, together with such protective equipment as the Company shall deem necessary for the protection and safe operation of its system, shall be provided at the expense of the Customer.

CHARACTER OF SERVICE

Delivery Service supplied under this rate will be three-phase, 60 hertz, alternating current, at a nominal delivery voltage determined by the Company, generally 34,500 volts or higher. A reasonably balanced load between phases shall be maintained by the Customer.

RATE PER MONTH

Customer Charge ..... \$550.00 per month

Demand Charges:

Per Kilovolt-Ampere of Maximum Demand

Distribution Charge..... \$4.25

Transmission Charge ..... \$3.52

Stranded Cost Recovery..... \$0.53

Energy Charges:

Per Kilowatt-Hour

Distribution Charges:

On-Peak Hours.....0.375¢

Off-Peak Hours .....0.315¢

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000244

Energy Charges (Continued...)

Per Kilowatt-Hour

Stranded Cost Recovery:

On-Peak Hours ..... 0.878¢

Off-Peak Hours ..... 0.696¢

MAXIMUM DEMAND

The kilovolt-ampere (KVA) demand during each thirty-minute interval of the current monthly billing period shall be determined by measurement. Maximum demand shall be determined for billing purposes to the nearest whole (1.0) kilovolt-ampere and shall be defined as the greater of:

- (1) the highest kilovolt-ampere demand registered during the on-peak hours of said period, or
- (2) fifty percent (50%) of the highest kilovolt-ampere demand registered during the off-peak hours of said period, except that for any portion of the Customer's highest off-peak kilovolt-ampere demand in excess of 30,000 kilovolt-amperes the multiplier applicable to the amount of such demand within each successive 10,000 kilovolt-ampere block of such excess portion shall be increased from fifty percent (50%) by successive ten percent (10%) increments, up to a maximum multiplier of one hundred percent (100%) for that portion of demand in excess of 70,000 kilovolt amperes, or
- (3) eighty percent (80%) of the amount by which the greatest amount defined in (1) and (2) above during the eleven (11) preceding months exceeds 1,000 kilovolt-amperes.

OFF-PEAK PERIOD

The off-peak period shall be the period including the hours after 8:00 p.m. and before 7:00 a.m., Monday through Friday, and the entire day on Saturdays, Sundays, and Holidays. The on-peak period shall be all hours not included in the off-peak period.

CONTRACT TERM

The contract term shall be for not less than one year and for such longer periods as maybe determined by the operation of the sections in this rate entitled "Guarantees" and "Apparatus".

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000245

#### DISCOUNT FOR SERVICE AT 115,000 VOLTS

A monthly discount of forty cents (\$0.40) per kilovolt-ampere (KVA) of maximum demand shall be given to Customers who contract to take service under this rate at a delivery voltage of 115,000 volts and to pay charges based on a monthly maximum demand of at least 10,000 kilovolt-amperes. Except as provided in the last sentence of this paragraph, this discount is available only at specified delivery points on the 115,000 volt transmission system of the Company as it exists from time to time where, in the opinion of the Company, there is sufficient capacity in facilities to supply the Customer's requirement and where system integrity and operating flexibility will not be impaired by the addition of the Customer's load. The discount is available also at other delivery points, provided the Customer satisfies the Company's requirements determined under Paragraph (a) of the section of this rate entitled "Guarantees".

In the event that any Customer qualifying for and receiving the discount provided in this section shall require a substantially larger or substantially smaller amount of capacity, the Customer shall so notify the Company in writing at least two (2) years prior to the date when such larger or smaller amount shall be required.

#### GUARANTEES

- (a) When the estimated expenditure necessary to deliver electrical energy properly to a Customer's premises shall be of such an amount that the income to be derived from the delivery of such energy at the rate herein established, including the monthly minimum charge, will be insufficient to warrant such expenditure, the Company may require the Customer to guarantee a minimum annual payment for a term of years and/or to pay the whole or a part of the cost of extending, enlarging, or rebuilding its facilities to deliver electrical energy properly to the Customer's point of delivery or other reasonable payments in addition to the payments otherwise provided herein.
- (b) Except as provided by the Terms and Conditions and as modified by the provisions of Paragraph (a) of this section, and exclusive of any charges made under the provisions of the section in this rate entitled "Apparatus" and if applicable, for Default Energy Service, the minimum monthly charge shall be \$860 per month.

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000246

## APPARATUS

Substation foundations, structures, and all necessary controlling, regulating, transforming, and protective apparatus shall be furnished, owned, and maintained by the Customer at the Customer's expense. However, controlling, regulating, and transforming apparatus may be rented from the Company at a charge of eighteen percent (18.0%) per year of the equipment cost. The cost of installing such equipment shall be paid in full at the time service is initiated. In no event shall the Company be required to rent apparatus to the Customer the total cost of which shall exceed \$10,000 or to rent pole-mounted apparatus. In the event a Customer-owned structure supporting a Company owned pole-mounted transformer is deemed insufficient or threatened by trees or other hazards, the Company reserves the right to terminate the existing rental agreement and to remove the transformer upon 90 days written notice to the Customer. In cases where the Customer elects to rent apparatus from the Company, the Customer shall guarantee, in addition to any other guarantees, to continue to pay rental therefor for a period of not less than four (4) years. Should the Customer discontinue service before four (4) years shall have elapsed, the guaranteed rental then unpaid shall immediately become due and payable.

## METERING

The Company may install one or more meters at its option. Metering shall be at delivery voltage, provided, however, that metering may be at a lower voltage at the option of the Company, in which case the maximum demand and kilowatt-hour energy use shall include the losses imposed by transformers between the delivery and metering points. In the latter case, the Company may at its option correct for the transformer losses by compensated metering or estimate such losses by another suitable method.

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000247

## BACKUP DELIVERY SERVICE RATE B

### AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is for backup and maintenance Delivery Service provided by the Company in conjunction with electricity produced by generation facilities located on the Customer's side of the meter which supplies all or a portion of the Customer's electric load requirements on a regular basis. Service under this rate is mandatory for Customers who take Conjunctional Service as specified in the Terms and Conditions for Delivery Service, and who, except for their own generation, would otherwise qualify for service under either Rate GV or Rate LG. This rate is not mandatory for service to Customers whose generating equipment is installed for the purpose of providing a backup or emergency supply during service outages on the Company's system, nor is it mandatory for Customers whose generation was installed prior to and has not been rebuilt since January 1, 1985. Customers taking service under this rate shall be required to execute a Service Agreement for such service which shall be available only at the delivery point specified therein.

Any Customer taking service under this rate shall be subject to the provisions of:  
a) Conjunctional Delivery Service under the Terms and Conditions for Delivery Service, and b) the applicable Delivery Service rate under which the Customer would otherwise take service from the Company if the Company delivered all the Customer's electricity requirements, except as such provisions may be modified by, or conflict with, the terms of this Rate Schedule.

The delivery of any electricity generated by the Customer in excess of the Customer's total electric load requirements and made available for sale to the Company or other entity shall be governed by the terms of a separate agreement.

### DEFINITIONS

Standard Rate: The standard Delivery Service rate, either Primary General Delivery Service Rate GV or Large General Delivery Service Rate LG, under which the Customer would otherwise take service if the Company delivered all the Customer's electricity requirements.

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000248

Backup Contract Demand: An amount of demand which the Customer may impose on the Company's distribution system under this Rate Schedule to back up the Customer's generating facilities. Backup Contract Demand shall be the normal output rating in kilowatts of the Customer's generating facilities as determined by the Company from time to time by test operation for those Customers who have a non-zero Supplemental Demand (i.e., whose maximum demand exceeds their generating capacity). For Customers whose generating capacity is larger than their total internal load, Backup Contract Demand shall be based on thirty minute meter readings for on-peak periods during the current month and previous eleven months. For Customers who would otherwise be served under Rate GV, Backup Contract Demand shall be the greater of: a) the highest kilowatt demand during those periods, or b) 80% of the highest kilovolt-ampere demand during those periods. For Customers who would otherwise be served under Rate LG, Backup Contract Demand shall be the highest kilovolt-ampere demand during those periods.

Backup Demand: The amount of demand in kilowatts delivered to the Customer under this Rate Schedule during a particular thirty minute interval. Backup Demand shall be the lesser of: a) Backup Contract Demand minus the amount of generation registered by the generation meter, or b) the total amount of demand registered. If such amount is less than zero, it shall be deemed to be equal to zero.

Backup Energy: The amount of kilowatt-hours delivered to the Customer under this Rate Schedule during a particular thirty minute interval. Backup Energy shall be equal to Backup Demand for that thirty minute interval divided by two.

On-Peak Hours: The period from 7:00 a.m. to 8:00 p.m. weekdays excluding holidays.

Supplemental Demand: The amount of demand in kilowatts delivered to the Customer by the Company in excess of its Backup Demand during a particular thirty minute interval. Supplemental Demand shall be equal to the total amount of demand registered less the amount of Backup Demand taken. If such amount is less than zero, it shall be deemed to be equal to zero. The delivery of Supplemental Demand and related energy shall be billed under the Company's standard rate (Rate G, Rate GV, or Rate LG) available to the Customer for the amount of Supplemental Demand taken.

#### RATE PER MONTH

Administrative Charge.....\$310.00 per month

Translation Charge.....\$52.00 per recorder per month

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Demand Charges:

For Customers who take service at 115,000 volts or higher, the following charges apply:

Transmission Charge .....\$0.25 per KW or KVA, whichever is applicable,  
of Backup Contract Demand

Stranded Cost Recovery .....\$0.11 per KW or KVA, whichever is applicable,  
of Backup Contract Demand

For all other Customers, in addition to the charges applicable to the Customers who take service at 115,000 volts or higher, the following additional charge applies:

Distribution Charge.....\$4.00 per KW or KVA, whichever is applicable,  
of Backup Contract Demand

Energy Charges:

The energy charges contained in the Standard Rate for Delivery Service, except that the distribution charge is not applicable to Customers who take service at 115,000 volts or higher.

METERING

Metering shall be provided by the Company in accordance with the provisions of the Customer's Standard Rate, except as modifications to such metering may be required by the provisions of this rate. The Company may install any metering equipment necessary to accomplish the purposes of this rate, including the measurement of output from the Customer's generating facilities. Customer shall provide suitable meter locations for the Company's metering facilities. All costs of metering equipment in excess of costs normally incurred by the Company to provide service under Customer's Standard Rate shall be borne by the Customer.

REFUSAL TO PROVIDE ACCESS

In the event that the Customer refuses access to its premises to allow the Company to install metering equipment to measure the output of the Customer's generating facilities, the Company may estimate the amount of demand and energy delivered under this rate. The Customer shall be responsible for payment of all bill amounts calculated hereunder based on such estimates of demand and energy delivered.

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000250



## CONTRACT TERM

The contract term shall be for not less than one year and for such longer periods as may be determined by the operation of the sections of Customer's Standard Rate entitled "Guarantees" and "Apparatus".

## SPECIAL PROVISIONS

1. Notwithstanding the general provisions of this rate schedule, the Company may include such other provisions in Customer's Service Agreement, executed pursuant to this Rate B, as may be necessary to reflect the specific circumstances of such Customer, the operating characteristics of Customer's generating equipment or any other particular facts, without limitation, which are necessary, in the Company's sole judgment and subject to Commission approval, to give effect to the purpose and intent of this rate.
2. The Customer's failure to execute a Service Agreement pursuant to the terms of this Rate B shall not preclude the application of this rate to any partial requirements service provided by the Company to the Customer.

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000251

## SAWMILL RETENTION DELIVERY SERVICE RATE SR

### AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is available for Delivery Service to Sawmill Customers as defined herein who have a Service Agreement in effect on July 1, 2007 and who have continuously received service under this rate since that date. Service under this rate will be available only through the remaining term of the Customer's existing Service Agreement and must be taken in conjunction with service under either General Delivery Service Rate G, Primary General Delivery Service Rate GV or Large General Delivery Service Rate LG and in accordance with the terms and conditions therein as now or hereafter effective except as specifically provided otherwise in this rate. Service hereunder is available only to those Customers whose primary or secondary three-digit Standard Industrial Classification Code is 242. Service hereunder is available to those Customers who, in the Company's determination, could have installed and utilized self-generation or cogeneration equipment as a viable and economic alternative to having the Company deliver all their electric requirements in the absence of receiving Delivery Service under this rate.

Service hereunder cannot be taken in conjunction with service under a Special Contract, except for Special Contracts for line extensions.

### DEFINITIONS

Sawmill: A plant where wood is processed, typically where logs are machine-cut into lumber. A Sawmill can be all or a portion of the Customer's entire operation. For the purpose of eligibility under this rate, the Customer's primary business shall consist of wood products.

Standard Rate: The Tariff rate, either General Delivery Service Rate G, Primary General Delivery Service Rate GV or Large General Delivery Service Rate LG, under which the Customer is rendered Delivery Service.

### ECONOMIC ANALYSIS OF CUSTOMER GENERATION

As a condition of service under this rate, the Company will analyze whether self-generation or cogeneration is a viable alternative to the Company delivering all or part of the Customer's electric requirements. The Customer may be required to provide information to the Company to perform such analysis to the extent that the Company lacks any information necessary to reach a conclusion on the economics of generation. The Customer must provide an affidavit to the Company attesting that no known permitting, zoning, environmental or financial barriers exist which will preclude the installation of generation by the Customer.

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Service under this rate is permitted if the Company's analysis shows an undiscounted, pre-tax payback of less than five years for the total cost of generation.

The Company will not disclose any information provided by the Customer without prior consent of the Customer or unless directed by the Commission or a court of competent jurisdiction.

#### DEMAND CHARGE DISCOUNT

The Customer will be billed for Delivery Service under the applicable Standard Rate. A percent discount equal to seventy-five (75%) of the total monthly demand charges specified under the Standard Rate will be applied to each monthly bill.

#### SERVICE AGREEMENT AND TERM

The Customer must sign a Service Agreement to receive service under this rate. Service shall be for a limited period beginning on the Effective Date specified in the Service Agreement and terminating after a five-year period.

#### DELIVERY OF ELECTRICITY

As part of the Service Agreement the Customer will agree to require Delivery Service from the Company for all its electricity requirements for a period of five (5) years from the Effective Date of the Service Agreement.

In the event the Customer displaces any of its purchases of electricity with an alternative source which does not require Delivery Service by the Company prior to the expiration of the Service Agreement, the Company reserves the right to immediately terminate the Service Agreement without notice. Upon termination of this service by the Company for a Customer's violation of this section, the Company may bill and the Customer is obligated to pay the difference between bill amounts that would have been rendered under the applicable Standard Rate absent this rate, and the bill amounts determined under the Standard Rate in conjunction with this rate beginning from the Effective Date of the Service Agreement until termination of the Service Agreement by the Company.

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000253

OUTDOOR LIGHTING DELIVERY SERVICE RATE OL

AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is for the following applications:

- (a) unmetered street and highway lighting provided to municipalities, state highway departments, and other governmental bodies;
- (b) unmetered outdoor area lighting for private yards, parking lots, private roads, and other off-street applications.

All-night outdoor lighting service on an annual basis totaling approximately 4,345 hours of operation per year and midnight outdoor lighting service on an annual basis totaling approximately 2,005 hours of operation per year shall be provided for under this rate.

RATE PER MONTH

Energy Charge:

Per Kilowatt-Hour

Transmission Charge ..... 0.708¢

Stranded Cost Recovery ..... 1.001¢

In addition to the energy charges above, Customers shall be assessed a monthly Distribution Rate per luminaire. The Distribution Rate includes, among other costs, the cost of the fixture and bracket. The energy charge shall be applied to the monthly kilowatt-hours specified below for the applicable fixture and service option. For outdoor lighting charges which are billed in conjunction with service rendered under a metered Rate Schedule, the kilowatt-hours used for billing purposes shall be the amount specified for the calendar month in which the meter read date occurred for service rendered under the metered Rate Schedule.

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All-Night Service Option:

The monthly kilowatt-hours and distribution rates for each luminaire served under the all-night service option are shown below.

For New and Existing Installations:

<u>Lamp Nominal</u>		<u>Monthly KWH per Luminaire</u>												<u>Monthly</u>
<u>Light</u>	<u>Power</u>													<u>Distribution</u>
<u>Output</u>	<u>Rating</u>													
<u>Lumens</u>	<u>Watts</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Rate</u>
High Pressure Sodium:														
4,000	50	27	23	22	19	16	16	16	18	21	23	24	27	\$13.43
5,800	70	40	34	32	29	24	23	24	27	31	35	37	40	13.43
9,500	100	59	50	47	42	35	34	35	39	46	51	53	59	17.85
16,000	150	88	74	70	62	53	51	53	59	68	76	79	88	25.25
30,000	250	142	120	113	101	85	82	85	95	110	123	128	142	25.87
50,000	400	217	183	173	154	130	126	130	144	168	188	196	217	26.16
130,000	1,000	510	430	408	362	306	296	306	340	395	442	460	510	41.99

Metal Halide:

5,000	70	41	35	33	29	25	24	25	28	32	36	37	41	\$14.02
8,000	100	56	47	45	40	34	33	34	38	44	49	51	56	19.17
13,000	150	88	74	71	63	53	51	53	59	68	77	80	88	26.32
13,500	175	96	81	77	68	57	56	57	64	74	83	87	96	26.88
20,000	250	134	113	107	95	80	78	80	89	104	116	121	134	26.88
36,000	400	209	176	167	149	126	122	126	140	162	181	189	209	27.12
100,000	1,000	502	423	402	356	301	292	301	335	389	435	454	502	40.63

For Existing Installations Only:

<u>Lamp Nominal</u>		<u>Monthly KWH per Luminaire</u>												<u>Monthly</u>
<u>Light</u>	<u>Power</u>													<u>Distribution</u>
<u>Output</u>	<u>Rating</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Rate</u>
<u>Lumens</u>	<u>Watts</u>													
Incandescent:														
600	105	49	41	39	35	29	28	29	33	38	42	44	49	\$7.74
1,000	105	49	41	39	35	29	28	29	33	38	42	44	49	8.64
2,500	205	95	80	76	68	57	55	57	64	74	83	86	95	11.08
6,000	448	208	176	167	148	125	121	125	139	161	181	188	208	19.01

Mercury:

3,500	100	54	46	44	39	33	32	33	36	42	47	49	54	\$11.85
7,000	175	95	80	76	68	57	55	57	64	74	83	86	95	14.24
11,000	250	136	114	109	96	81	79	81	91	105	118	123	136	17.62
15,000	400	211	178	169	149	126	122	126	140	163	183	190	211	20.16
20,000	400	211	178	169	149	126	122	126	140	163	183	190	211	21.75
56,000	1,000	503	424	403	357	302	292	302	335	390	436	454	503	34.57

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<u>Lamp Nominal</u>		<u>Monthly KWH per Luminaire</u>												<u>Monthly</u>
<u>Light</u>	<u>Power</u>													<u>Distribution</u>
<u>Output</u>	<u>Rating</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Rate</u>
<u>Lumens</u>	<u>Watts</u>													
Fluorescent:														
20,000	330	153	129	123	109	92	89	92	102	119	133	139	153	\$29.49
High Pressure Sodium in Existing Mercury Luminaires:														
12,000	150	84	71	67	59	50	49	50	56	65	73	76	84	18.46
34,200	360	192	162	154	136	115	112	115	128	149	166	173	192	23.62

The 15,000 Lumen Mercury fixture is fitted with a 20,000 lumen lamp. The 600 Lumen Incandescent fixture is fitted with a 1,000 lumen lamp.

Midnight Service Option:

The monthly kilowatt-hours and distribution rates for each luminaire served under the midnight service option are shown below.

<u>Lamp Nominal</u>		<u>Monthly KWH per Luminaire</u>												<u>Monthly</u>
<u>Light</u>	<u>Power</u>													<u>Distribution</u>
<u>Output</u>	<u>Rating</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Rate</u>
<u>Lumens</u>	<u>Watts</u>													
High Pressure Sodium:														
4,000	50	14	11	9	10	7	6	6	7	9	11	13	14	\$13.43
5,800	70	20	16	13	15	11	9	9	11	13	16	20	21	13.43
9,500	100	30	23	20	21	16	13	14	16	19	24	28	31	17.85
16,000	150	44	34	29	31	24	20	21	24	28	35	42	47	25.25
30,000	250	71	56	47	51	38	32	33	38	46	57	69	76	25.87
50,000	400	109	85	72	77	58	49	51	58	70	87	105	116	26.16
130,000	1,000	255	200	170	181	136	115	119	136	165	204	246	272	41.99
Metal Halide:														
5,000	70	20	16	14	15	11	9	10	11	13	17	20	22	\$14.02
8,000	100	28	22	19	20	15	13	13	15	18	23	27	30	19.17
13,000	150	44	34	30	31	24	20	21	24	28	36	43	47	26.32
13,500	175	48	38	32	34	25	22	22	26	31	38	47	51	26.88
20,000	250	67	52	45	48	36	30	31	36	43	54	65	71	26.88
36,000	400	104	82	70	74	56	47	49	56	68	84	101	111	27.12
100,000	1,000	251	196	167	178	134	114	117	134	162	201	243	268	40.63

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000256

## MODIFICATION OF SERVICE OPTION

Municipal and state roadway lighting Customers may request a modification of service from the all-night service option to the midnight service option during the calendar months of January and February of each year, otherwise known as the open enrollment period. Requests received from municipal and state roadway lighting Customers after the open enrollment period shall be implemented during the subsequent open enrollment period, unless the Company determines that it is feasible and practicable to implement the request prior to the subsequent enrollment period. All other Customers may request a modification of service from the all-night service option to the midnight service option at any time. Customers requesting a modification of service from the all-night service option to the midnight service option are responsible to pay to the Company the installed cost of any additional equipment required to provide service under the midnight service option. The installed cost includes the cost of the additional equipment, labor, vehicles and overheads. The Customer is responsible to pay such costs prior to the installation of the equipment. If such a request is made concurrent with the Company's existing schedule for lamp replacement and maintenance, the Customer is responsible to pay to the Company the cost of any additional equipment required, including overheads. The Customer is responsible to pay such costs prior to the installation of the equipment.

Customers requesting a modification of service from the midnight service option to the all-night service option are responsible to pay to the Company the installation cost of the equipment required to provide service under the all-night service option. The installation cost includes the cost of labor, vehicles and overheads. The Customer is responsible to pay such costs prior to the installation of the equipment. If such a request is made concurrent with the Company's existing schedule for lamp replacement and maintenance, no additional costs are required to modify service from the midnight service option to the all-night service option.

The Company will utilize fixed price estimates per luminaire for the installed cost, the additional equipment cost and the equipment installation cost and will update the fixed price estimates per luminaire each year based upon current costs. In the event traffic control is required during a modification of service option or for equipment repair, the Customer is responsible to coordinate and to provide traffic control and to pay all costs associated with traffic control. In the event the Customer is a residential or General Delivery Service Rate G Customer, the Company may coordinate and provide traffic control on the Customer's behalf and the Customer shall reimburse the Company for all costs associated with the traffic control provided by the Company. The scheduling of work associated with the modification of a service option will be made at the Company's discretion with consideration given to minimizing travel and set-up time.

## LEAP YEAR ADJUSTMENT TO ENERGY

During any leap year, the energy (kilowatt-hour) usage during the month of February for all fixtures shall be increased by 3.6 percent for the purpose of determining total energy charges under this rate.

## CONTRACT TERM

The contract term for outdoor area lighting shall be for not less than one year.

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000257

## MAINTENANCE

The Company shall exercise reasonable diligence to insure that all street and highway lamps are burning and shall make replacements promptly when notified of outages. Lamp replacement, maintenance and cleaning of street and highway lighting fixtures will normally be performed on a periodic basis in accordance with generally accepted utility practices and consistent with any manufacturer's recommendations. Lamp replacement and maintenance of outdoor area lighting will be performed as soon as possible following notification by the Customer of the need for such service, but the Company shall not be required to perform any such replacement or maintenance except during regular working hours.

## NEW INSTALLATIONS, EXTENSIONS AND REPLACEMENTS

New installations, extensions and replacements using overhead wiring, a standard fixture, an all-night service option photocell and located upon existing poles of the Company, shall be made at the expense of the Company.

Except for the excess costs of underground facilities to be apportioned as set forth in the provisions for underground electric distribution facilities specified in the Company's "Requirements for Electric Service Connections", any costs incurred in connection with new installations, extensions and replacements which exceed the costs of a standard outdoor lighting fixture equipped with an all-night service option photocell located on existing poles with overhead wiring shall be borne by the Customer. Such excess costs shall be paid as a lump sum prior to the installation of the equipment.

In the case of new installations, extensions and replacements which make use of underground conductors for supply and distribution and/or of standards or poles employed exclusively for lighting purposes, the Company reserves the right to require the Customer to furnish, own, and maintain such underground supply and distribution facilities and/or the standards or poles.

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000258



If the Company's right under the preceding paragraph is exercised and the Company thereby is relieved of the cost of installing the customary overhead wires and appurtenances and the customary dual purpose poles, the Company shall:

1. pay to the Customer the sum of the following:
  - a. the estimated saving in investment to the Company represented by the estimated cost of the customary overhead wires and appurtenances;
  - b. such portion, if any, of the estimated cost to the Company of the customary dual purpose poles as would normally be allocated to lighting purposes;
2. have the right, without payment of any charge, to attach its wires, fixtures, brackets, luminaires, transformers, and other equipment to the standards or poles owned by the Customer.

Should the standards or poles furnished, owned, and maintained by the Customer be located in a public highway, the Customer shall procure and furnish to the Company a license under the Public Laws of New Hampshire (R.S.A. Chapter 231) covering such interest as the Company may have in the standards or poles, including their wires, fixtures, brackets, luminaires, transformers, and other equipment.

For outdoor area lighting installations, the Customer shall provide without expense or cost to the Company, all permits, consents, or easements necessary for the erection, maintenance, and operation of the Company's facilities, including the right to cut and trim trees and bushes wherever necessary; and the Company shall not be required to move its facilities to another location on the Customer's premises unless the Customer shall bear the cost thereof. The Company reserves the right to restrict such installations under this rate to those which will yield a reasonable return to the Company and to areas which are easily accessible by service truck. Installations of 4,000 lumen (50 watt) high pressure sodium luminaires will not be allowed as replacements of existing 3,500 lumen (100 watt) mercury luminaires unless the Customer agrees to pay for the remaining unexpired life of the retired equipment, including the unexpired portion of the cost of installation and the cost of removal less any salvage value of the equipment removed.

The total number of new installations, extensions, and replacements for outdoor lighting equipment may be limited by the Company in any calendar year to three (3) percent of the total number of units billed to the particular Customers at the beginning of such calendar year.

In cases where the Customer requests a change in or removal of existing outdoor lighting equipment which has not reached the end of its normal useful life, the Company may require the Customer to pay for the remaining unexpired life of the retired equipment, including the unexpired portion of the cost of installation and the cost of removal less any salvage value of the equipment removed.

All poles, wires, fixtures, brackets, luminaires, transformers, and other equipment furnished by the Company shall be maintained by it and title to such shall in all cases remain vested in the Company.

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000259

ENERGY EFFICIENT OUTDOOR LIGHTING  
DELIVERY SERVICE RATE EOL

AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this unmetered rate is available to any federal, state, county, municipal or other governmental unit, or department or agency of the government. Service under this rate is for delivery and maintenance of street and area lighting service provided to Customers utilizing luminaires and brackets for which the Customer has contributed to the Company: (a) the installed cost for all new luminaires and brackets placed into service under this rate, (b) the remaining unexpired life of all existing high pressure sodium vapor and metal halide luminaires and brackets in service on the date that service under this rate is initiated, and (c) the remaining unexpired life of any other street and area lighting luminaires and brackets as of the date that such locations are converted to high pressure sodium vapor or metal halide in accordance with this Rate Schedule. It is available at the Customer's option to those Customers who sign a Service Agreement to receive such service and who receive all of their street and area lighting service requirements hereunder where feasible, except as specifically provided for hereinafter. Upon the Customer's request, the Company may utilize a fixed price estimate for the installed cost of all new luminaires and brackets placed into service under this rate. If the Customer enters into an agreement based upon the fixed price estimate, both the Customer and the Company will be bound by that fixed price estimate.

All-night outdoor lighting service on an annual basis totaling approximately 4,345 hours of operation per year and midnight outdoor lighting service on an annual basis totaling approximately 2,005 hours of operation per year shall be provided for under this rate.

LIMITATIONS ON AVAILABILITY

The availability of this rate to any Customer is contingent upon the availability to the Company of personnel and/or other resources necessary to perform the conversion of existing luminaires to high pressure sodium vapor or metal halide in accordance with the time schedule specified in the Service Agreement.

SERVICE AGREEMENT

The Customer shall sign a Service Agreement governing the contribution for the remaining unexpired life of the existing street lighting luminaires and brackets, the contribution for the installed cost of the new luminaires and brackets, and the conversion of existing luminaires to high pressure sodium vapor or metal halide.

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000260

SERVICE DURING THE CONVERSION PERIOD

Service under this rate shall be implemented on a prorated basis, according to the number of luminaires which have been converted to high pressure sodium vapor or metal halide. Therefore, during the conversion period a portion of the Customer's street and area lighting requirements may be served under Outdoor Lighting Delivery Service Rate OL for those luminaires which have not yet been converted under this Rate.

MONTHLY RATES

Energy Charge:

Per Kilowatt-Hour

Transmission Charge ..... 0.708¢

Stranded Cost Recovery ..... 1.001¢

In addition to the energy charges above, Customers shall be assessed a monthly Distribution Rate per luminaire. The energy charge shall be applied to the monthly kilowatt-hours specified below for the applicable fixture and service option. For outdoor lighting charges which are billed in conjunction with service rendered under a metered Rate Schedule, the kilowatt-hours used for billing purposes shall be the amount specified for the calendar month in which the later meter read date occurred for service rendered under the metered Rate Schedule.

All-Night Service Option:

The monthly kilowatt-hours and distribution rates for each luminaire served under the all-night service option are shown below.

Lamp	Nominal	Monthly KWH per Luminaire												Monthly
Light	Power													Distribution
Output	Rating													
Lumens	Watts	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Rate
High Pressure Sodium:														
4,000	50	27	23	22	19	16	16	16	18	21	23	24	27	\$7.15
5,800	70	40	34	32	29	24	23	24	27	31	35	37	40	7.15
9,500	100	59	50	47	42	35	34	35	39	46	51	53	59	8.78
16,000	150	88	74	70	62	53	51	53	59	68	76	79	88	9.65
30,000	250	142	120	113	101	85	82	85	95	110	123	128	142	9.65
50,000	400	217	183	173	154	130	126	130	144	168	188	196	217	9.97
130,000	1,000	510	430	408	362	306	296	306	340	395	442	460	510	18.92
Metal Halide:														
5,000	70	41	35	33	29	25	24	25	28	32	36	37	41	\$7.41
8,000	100	56	47	45	40	34	33	34	38	44	49	51	56	9.81
13,000	150	88	74	71	63	53	51	53	59	68	77	80	88	10.46
13,500	175	96	81	77	68	57	56	57	64	74	83	87	96	11.03
20,000	250	134	113	107	95	80	78	80	89	104	116	121	134	11.21
36,000	400	209	176	167	149	126	122	126	140	162	181	189	209	11.53
100,000	1,000	502	423	402	356	301	292	301	335	389	435	454	502	20.55

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Midnight Service Option:

The monthly kilowatt-hours and distribution rates for each luminaire served under the midnight service option are shown below.

Lamp	Nominal	Monthly KWH per Luminaire												Monthly
Light	Power													Distribution
Output	Rating													
Lumens	Watts	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Rate
High Pressure Sodium:														
4,000	50	14	11	9	10	7	6	6	7	9	11	13	14	\$7.15
5,800	70	20	16	13	15	11	9	9	11	13	16	20	21	7.15
9,500	100	30	23	20	21	16	13	14	16	19	24	28	31	8.78
16,000	150	44	34	29	31	24	20	21	24	28	35	42	47	9.65
30,000	250	71	56	47	51	38	32	33	38	46	57	69	76	9.65
50,000	400	109	85	72	77	58	49	51	58	70	87	105	116	9.97
130,000	1,000	255	200	170	181	136	115	119	136	165	204	246	272	18.92
Metal Halide:														
5,000	70	20	16	14	15	11	9	10	11	13	17	20	22	\$7.41
8,000	100	28	22	19	20	15	13	13	15	18	23	27	30	9.81
13,000	150	44	34	30	31	24	20	21	24	28	36	43	47	10.46
13,500	175	48	38	32	34	25	22	22	26	31	38	47	51	11.03
20,000	250	67	52	45	48	36	30	31	36	43	54	65	71	11.21
36,000	400	104	82	70	74	56	47	49	56	68	84	101	111	11.53
100,000	1,000	251	196	167	178	134	114	117	134	162	201	243	268	20.55

LEAP YEAR ADJUSTMENT TO ENERGY

During any leap year, the energy (Kilowatt-hour) usage during the month of February for all fixtures shall be increased by 3.6 percent for the purpose of determining total energy charges under this rate.

MAINTENANCE

The Company shall exercise reasonable diligence to insure that all lamps are burning and shall make replacements promptly when notified of outages. However, the Company shall not be required to perform any replacements or maintenance except during regular working hours. Lamp replacement, maintenance and cleaning of lighting fixtures will normally be performed on a periodic basis in accordance with generally accepted utility practices and consistent with any manufacturer's recommendations.

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000262

## MODIFICATION OF SERVICE OPTION

Municipal and state roadway lighting Customers may request a modification of service from the all-night service option to the midnight service option during the calendar months of January and February of each year, otherwise known as the open enrollment period. Requests received from municipal and state roadway lighting Customers after the open enrollment period shall be implemented during the subsequent open enrollment period, unless the Company determines that it is feasible and practicable to implement the request prior to the subsequent enrollment period. All other Customers may request a modification of service from the all-night service option to the midnight service option at any time. Customers requesting a modification of service from the all-night service option to the midnight service option are responsible to pay to the Company the installed cost of any additional equipment required to provide service under the midnight service option. The installed cost includes the cost of the additional equipment, labor, vehicles and overheads. The Customer is responsible to pay such costs prior to the installation of the equipment. If such a request is made concurrent with the Company's existing schedule for lamp replacement and maintenance, the Customer is responsible to pay to the Company the cost of any additional equipment required, including overheads. The Customer is responsible to pay such costs prior to the installation of the equipment.

Customers requesting a modification of service from the midnight service option to the all-night service option are responsible to pay to the Company the installation cost of the equipment required to provide service under the all-night service option. The installation cost includes the cost of labor, vehicles and overheads. The Customer is responsible to pay such costs prior to the installation of the equipment. If such a request is made concurrent with the Company's existing schedule for lamp replacement and maintenance, no additional costs are required to modify service from the midnight service option to the all-night service option.

The Company will utilize fixed price estimates per luminaire for the installed cost, the additional equipment cost and the equipment installation cost and will update the fixed price estimates per luminaire each year based upon current costs. In the event traffic control is required during a modification of service option or for equipment repair, the Customer is responsible to coordinate and to provide traffic control and to pay all costs associated with traffic control. The scheduling of work associated with the modification of a service option will be made at the Company's discretion with consideration given to minimizing travel and set-up time.

## NEW INSTALLATIONS, EXTENSIONS AND REPLACEMENTS

No additional cost, other than a contribution for the installed cost of new luminaires and brackets as provided for herein, shall be assessed for luminaires and brackets which are attached to existing poles utilizing overhead secondary wiring. Any cost incurred in connection with the installation of lighting facilities which exceeds the cost of using existing poles with overhead secondary wiring shall be borne by the Customer.

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000263

Except for the excess costs of underground facilities to be apportioned as set forth in the provisions for underground electric distribution facilities specified in the Company's "Requirements for Electric Service Connections", any cost incurred in connection with the installation of poles, transformers, wiring, or any other facilities or equipment used exclusively for lighting purposes shall be borne by the Customer. In such cases, the Company shall credit the Customer with the portion, if any, of the estimated cost of such facilities which would normally be allocated to lighting purposes.

Any cost incurred in connection with new installations, or with the replacement or removal of existing luminaires and/or brackets shall be borne by the Customer. Such costs shall include the installed cost of the new luminaires and/or brackets in the case of new installations and replacements, and the cost of removal of the existing luminaires and/or brackets, less any salvage value of such luminaires and/or brackets which are removed from service.

In the case of new installations, extensions and replacements which make use of underground conductors for supply and distribution and/or of standards or poles employed exclusively for lighting purposes, the Company reserves the right to require the Customer to furnish, own, and maintain such underground supply and distribution facilities and/or the standards or poles.

If the Company's right under the preceding paragraph is exercised and the Company thereby is relieved of the cost of installing the customary overhead wires and appurtenances and the customary dual purpose poles, the Company shall:

1. pay to the Customer the sum of the following:
  - a. the estimated saving in investment to the Company represented by the estimated cost of the customary overhead wires and appurtenances;
  - b. such portion, if any, of the estimated cost to the Company of the customary dual purpose poles as would normally be allocated to lighting purposes;
2. have the right, without payment of any charge, to attach its wires, fixtures, brackets, luminaires, transformers, and other equipment to the standards or poles owned by the Customer.

Should the standards or poles furnished, owned, and maintained by the Customer be located in a public highway, the Customer shall procure and furnish to the Company a license under the Public Laws of New Hampshire (R.S.A. Chapter 231) covering such interest as the Company may have in the standards or poles, including their wires, fixtures, brackets, luminaires, transformers, and other equipment.

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For outdoor area lighting installations, the Customer shall provide without expense or cost to the Company, all permits, consents, or easements necessary for the erection, maintenance, and operation of the Company's facilities, including the right to cut and trim trees and bushes wherever necessary; and the Company shall not be required to move its facilities to another location on the Customer's premises unless the Customer shall bear the cost thereof. The Company reserves the right to restrict such installations under this Rate to areas which are easily accessible by service truck.

All poles, wires, fixtures, brackets, luminaires, transformers, and other equipment furnished by the Company shall be maintained by it and title to such shall in all cases remain vested in the Company.

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000265

VOLUNTARY INTERRUPTION PROGRAM  
RATE VIP

AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is for voluntary load reduction by either load interruption and/or use of customer standby generation. Service under this rate must be taken in conjunction with service provided under Primary General Delivery Service Rate GV or Large General Delivery Service Rate LG and Default Energy Service Rate DE and in accordance with the terms or conditions therein as now or hereafter effective except as may be specifically provided otherwise in this rate.

The load must be available for interruption during the summer program period commencing June 1 and ending on September 30 each year, or at the Company's option, during the winter program period commencing January 1 and ending March 31 each year.

The customer must sign a service agreement to receive service under this rate and may enroll in the summer program period and/or the winter program period when offered by the Company.

Interruptible load presently served under a Special Contract by the Company is not eligible for service under this rate. Interruptible load presently served under any other interruptible rate is not eligible for service under this rate.

The customer must have interval metering in order to participate in this program.

NOTIFICATION OF INTERRUPTION

The customer shall provide to the Company the names and telephone numbers of persons to notify to request reduction of load during Hourly Interruptible Periods. The Company shall provide the customer with up to one hour's notice of any Hourly Interruptible Period, to request that the customer reduce load. The Company will strive to provide more advance notification, if possible. The Company will also notify the customer prior to the end of the interruption.

DEFINITIONS

Hourly Interruptible Period: All clock hours designated by the Company during a particular day for which the Company requests customers to reduce or postpone the use of electricity. Hourly Interruptible Periods shall exclude those periods occurring during Scheduled Plant Shutdowns. All interruptions shall begin and end on the clock hour.

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000266



Designated Load: An amount of load specified in the service agreement, which the customer agrees to interrupt if reasonably practicable and the Company agrees is reasonably achievable, consisting of specific pieces of equipment or processes which are normally used by the customer. Customer owned standby generation on the load side of the meter may also be utilized to supply Designated Load. The minimum amount of Designated Load that the customer may specify shall be the greater of 100 kilowatts or ten percent (10%) of the average of the customer's monthly maximum thirty-minute kilowatt demands occurring during on-peak hours.

Interrupted Demand: For each Hourly Interruptible Period, the difference between: (a) the Baseline Demand; and (b) the average integrated kilowatt demand during that Hourly Interruptible Period.

Baseline Demand: The average integrated kilowatt demand occurring during each corresponding hour, on non-holiday weekdays of the current calendar month during which Hourly Interruptible Periods were not designated, excluding those hours during Scheduled Plant Shutdowns. The Baseline Demand amount calculated above will be adjusted upward if the average of the actual usage in the two hours preceding the commencement of the particular Hourly Interruptible Periods is greater than the actual average usage during the corresponding two hours on non-holiday weekdays of the current calendar month during which Hourly Interruptible Periods were not designated, excluding those hours during Scheduled Plant Shutdowns. The adjustment to the Baseline Demand will be equal to the difference between the two average amounts described above.

Credited Interrupted Demand: The lesser of the customer's Interrupted Demand for the Hourly Interruptible Period or 125% of the customer's Designated Load.

Excess Interrupted Demand: The amount by which the customer's Interrupted Demand for the Hourly Interruptible Period exceeds 125% of the customer's Designated Load.

Real Time Zonal Price (RTZP): The spot market price for electric energy for the New Hampshire load zone as determined by the Independent System Operator – New England (ISO-NE) for each hour of an Hourly Interruptible Period.

Scheduled Plant Shutdown: Time periods specified by the Customer in the Service Agreement in which the Designated Load is not available for interruption.

## INTERRUPTION CREDITS

An Interruption Credit will be calculated for Hourly Interruptible Periods during which the Customer is receiving Default Energy Service and will be applied to the customer's bill no earlier than the second bill rendered after the meter reading which includes the interruptions. The Interruption Credit will be the sum of the credits calculated for each Hourly Interruptible Period in the month. One of the following credits will apply to each kilowatt-hour of Credited Interrupted Demand during each Hourly Interruptible Period, depending upon the ratio of Credited Interrupted Demand to Designated Load:

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<u>% of Hourly RTZP Paid to Customers (per KWH)</u>	<u>Ratio of Credited Interrupted Demand to Designated Load</u>
0%	If Ratio is less than 25%
60%	If Ratio is greater than or equal to 25%, but less than 50%
80%	If Ratio is greater than or equal to 50%, but less than 75%
100%	If Ratio is greater than or equal to 75% (up to 125% of DL)

#### EXCESS INTERRUPTION CREDIT

An Excess Interruption Credit will be applied, if appropriate, to the customer's bill no earlier than the second bill rendered after the current calendar month. The Excess Interruption Credit will be the sum of the credits applied to each kilowatt-hour of Excess Interrupted Demand for each Hourly Interruptible Period. The credit applied to each kilowatt-hour of Excess Interrupted Demand will be equal to 60% of the RTZP.

#### FAILURE TO FULLY COMPLY

If the customer's Credited Interrupted Demand is less than seventy-five percent (75%) of the customer's Designated Load for more than 25% of the Daily Interruptible Periods, the Company may refuse to allow the customer to continue to take service hereunder.

#### ISO-NE DEMAND RESPONSE PROGRAMS

The Company at its option may enroll Customers in the ISO-NE Demand Response Programs ("ISO-NE Programs") as amended from time to time and approved by the Federal Energy Regulatory Commission in lieu of enrolling Customers in the Voluntary Interruption Program as defined under this rate schedule. Customers may enroll with the Company or any other NEPOOL Participant, subject to the provisions of the ISO-NE Programs in effect at the time. A Customer may not enroll with the Company under the provisions of an ISO-NE Program and the Voluntary Interruption Program at the same time. Customers will be required to meet all the criteria for the load interruptions set forth in the ISO-NE Programs and will be required to install any additional required metering software, telephone lines, internet connections and other equipment necessary to participate in the ISO-NE Program. Other incremental fees and costs of participation in the ISO-NE Program may also be the responsibility of the Customer. The Company shall compensate the Customer by crediting the Customer's electric account by the amount paid to the Company by the ISO-NE in accordance with the provisions of the ISO-NE Program. Credits will be applied within 45 days of the date of the Company's receipt of payment from the ISO-NE.

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000268

## SKI AREA INTERRUPTIBLE DELIVERY SERVICE RATE SKI

### AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is available for Delivery Service to Ski Areas and must be taken in conjunction with service under Primary General Delivery Service Rate GV or Large General Delivery Service Rate LG and in accordance with the terms and conditions therein as now or hereafter effective except as specifically provided otherwise in this rate. If a Customer's maximum on-peak demand exceeds 1,000 kilowatts for seven or more of the previous twelve consecutive months, then the Customer shall take service under this rate in conjunction with Large General Delivery Service Rate LG. Otherwise, service shall be taken in conjunction with Primary General Delivery Service Rate GV. The availability of this rate will terminate on December 31, 2014.

### EXCLUSION OF DEMAND FOR EQUIPMENT TESTING IN THE DETERMINATION OF MAXIMUM DEMAND

The Company shall exclude from the determination of maximum demand all thirty-minute intervals recorded during periods of equipment testing, provided that the Company agrees in advance to the time and duration scheduled for such testing. The Customer must notify the Company at least three business days in advance of the equipment testing and must provide the specific start and stop times and the anticipated amount of peak load during the test period. If the timing or duration of the equipment testing is not acceptable to the Company, the Customer and the Company shall mutually agree on an alternate time acceptable to both parties. A maximum of six equipment testing periods may be conducted in a calendar year during the months of May, June, September and October. All kilowatt-hours delivered during the equipment testing periods will be billed at the Energy Charges in effect at the time of service.

### INTERRUPTION OF SERVICE

All snow-making load and equipment testing load shall be made available for interruption during interruption periods. An interruption period includes all on-peak hours designated by the Company for interruption of the Customer's snow-making load or equipment testing load. All interruption periods shall begin and end on the clock hour. The Company may request interruption of the Customer's snow-making load or equipment testing load if the Company experiences a system emergency, or the Independent System Operator – New England (ISO-NE) institutes Operating Procedure No. 4. Furthermore, if the Customer purchases Default Energy Service from the Company, the Company may request interruption of the Customer's snow-making load or equipment testing load when the Real Time Zonal Price for the New Hampshire load zone as determined by the ISO-NE is forecasted to exceed or actually exceeds the threshold price for interruption under the Voluntary Interruption Program Rate VIP.

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000269

In the event of an interruption notification from the Company, the Customer is required to interrupt its snow-making load or its equipment testing load within two hours of the notification from the Company, except during a system emergency when immediate interruption of snow-making load or equipment testing load is required. The Company will notify the Customer as promptly as possible when snow-making or equipment testing can resume.

#### VERIFICATION OF INTERRUPTION

A base demand level representing all of a Customer's non-snow-making load will be established by mutual agreement. In order to verify a Customer has interrupted its snow-making load, the Company will compare the Customer's kilowatt demand in each half-hour of the interruption period to the base demand. An interruption shall be deemed to have occurred if the Customer's demand is less than or equal to the base demand in each half-hour interval in the interruption period. The base demand level will be reviewed annually with the Customer to verify that the level continues to represent the Customer's non-snow-making load. It is the responsibility of the Customer to contact the Company in advance of any significant changes that may affect the level of the Customer's non-snow-making load. In the event of a significant change, a new base demand level will be established by mutual agreement.

In order to verify a Customer has interrupted its equipment testing load, the Company will compare the Customer's kilowatt demand in each half-hour of the interruption period to the average of the kilowatt demands occurring in the same half-hour of all non-holiday weekdays occurring in the Customer's billing cycle month. An interruption shall be deemed to have occurred if the Customer's demand in each half-hour interval of the interruption period is less than or equal to 110% of the average of the kilowatt demands occurring in the same half-hour of all non-holiday weekdays occurring in the Customer's billing cycle month.

#### FAILURE TO INTERRUPT

In the event a Customer fails to interrupt its snow-making load or its equipment testing load during an interruption period, and if the Customer receives energy service under Default Energy Service Rate DE, all kilowatt-hours delivered to the Customer in excess of the base demand during a snow-making interruption period or all kilowatt-hours delivered to the Customer during an equipment testing period will be billed at 150% of the hourly Real Time Zonal Price for the New Hampshire load zone in lieu of the Default Energy Service rate, whichever is applicable.

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000270

In the event the Customer fails to interrupt its snow-making load or its equipment testing load during an interruption period, and if the Customer does not receive energy service under Default Energy Service Rate DE, all kilowatt-hours delivered to the Customer in excess of the base demand during a snow-making interruption period or all kilowatt-hours delivered to the Customer during an equipment testing interruption period will be assessed a charge of 50% of the hourly Real Time Zonal Price for the New Hampshire load zone, in addition to the charges under Primary General Delivery Service Rate GV or Large General Delivery Service Rate LG.

#### SERVICE AGREEMENT AND TERM

The Customer must sign a Service Agreement specifying the Customer's base demand level to receive service under this rate. Service shall be available, provided the Customer continues to meet the availability requirements, for the period beginning on the Effective Date specified in the Service Agreement and terminating after a ten-year period or December 31, 2014, whichever date occurs earlier. In the event the Customer no longer meets the availability requirements, service under this rate shall immediately terminate.

#### SUCCESSORS AND ASSIGNS

If the Customer or the Company sells or otherwise transfers the business to a second party, this rate and the Service Agreement shall be binding upon the existing and new party; provided the Customer continues to meet the availability requirements of the rate.

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000271

DEFAULT ENERGY SERVICE RATE DE

AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is for energy and capacity in conjunction with the applicable Delivery Service Rate Schedule. It is available to those Customers who are not receiving Supplier Service or Self-Supply Service

Notwithstanding any other Tariff provision or Special Contract terms, no discount shall be applied to this rate.

RATE PER MONTH

Per Kilowatt-Hour

Energy Charge

9.92¢

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000272

SMART START  
ENERGY EFFICIENCY PROGRAM

AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is for the installation of energy efficiency and load management measures for municipalities in offices, schools, and other municipal buildings. The energy efficiency and load management measures will be installed at the Company's expense and the Customer shall reimburse the Company through charges added to the Customer's regular monthly bill. Upon the Customer's request, the Company may utilize a fixed price estimate for the installed cost of energy efficiency and load management measures installed by the Company to determine eligibility and the monthly charges under this rate. If the Customer enters into an agreement based upon the fixed price estimate, both the Customer and the Company will be bound by that fixed price estimate. This rate is for a basic utility service and the Customer is liable for payment of the charges under this rate under the same conditions as any other charges for basic utility service including, but not limited to, the Customer's service being subject to disconnection for nonpayment in accordance with the rules of the Commission.

At its sole discretion, the Company shall determine eligibility for service under this rate subject to (1) the availability of funds budgeted for this program, (2) the suitability of approved energy efficiency and load management measures for the Customer's location and the likelihood that the measures will be used and useful throughout their estimated life, (3) a minimum project cost requirement of \$1,000 which may be met by aggregating project costs from multiple delivery service accounts, and (4) the Company's determination that the measures chosen are estimated to produce sufficient energy or demand savings to offset the total costs of the measures. Although the Company expects that all Customers participating in the Smart Start Energy Efficiency Program will receive lower monthly electric bills, there is no guarantee of savings.

Any Customer taking service under this rate must be and remain a full requirements delivery service Customer. In the event the Customer does not remain a full requirements delivery service Customer, any remaining charges under this rate shall immediately become due and payable. This rate is available to new installations through December 31, 2009.

COMPANY RESPONSIBILITIES

The Company will act as the Customer's agent in selecting energy efficiency and or load management measures which are suitable for the Customer's end uses of electricity and which are estimated to produce sufficient savings in energy usage or demand. The Company may arrange for a supplier or contractor (1) to install the measures (2) to instruct the Customer on the proper use, operation and maintenance of the measures and (3) to certify that the measures are properly installed and operating as designed. Upon notification by the Customer that work is complete, the Company will verify that the measure(s) have been installed and arrange for payment to the contractor.

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After receiving notice from the Customer, the Company will evaluate any report of a failed measure(s), and at its option, the Company will cause the measure(s) to be repaired or replaced when necessary or will terminate charges under this rate.

The Company will inform all new Customers at a location where energy efficiency or load management measures have been installed as to the existence of any unbilled charges remaining under this rate for that location. If the former Customer received service under an accelerated payment period term, the Company will inform the new Customer that they may revert at any time to the minimum monthly charge that was available to the former Customer. The Company will also inform these Customers of the benefits associated with the measure(s) and their responsibility for the payment of the remaining charges under this rate and other obligations.

#### CUSTOMER RESPONSIBILITIES

Prior to the installation of any energy efficiency or load management measures, the Customer will sign a Smart Start Agreement which will provide that the Customer is responsible for:

- (1) payment of the monthly charges under this rate in addition to all other charges on the monthly bill;
- (2) informing the Company if the measures fail completely or malfunction so that the estimated reductions in demand and energy use cannot be realized;
- (3) maintaining the energy efficiency or load management measures at the service location and taking reasonable steps to prevent damage to such measures;
- (4) becoming fully informed concerning the routine operation and maintenance of the energy efficiency or load management measures installed at the service location;
- (5) allowing access by the Company, at reasonable times, for any inspection or repair of the energy efficiency or load management measures to the extent the Company is responsible for such repairs as described above; and
- (6) accepting responsibility for the cost of out of warranty repairs. Customers may accept such responsibility through any of the following:
  - (a) the customer may repair the measure(s) themselves,
  - (b) the customer and/or customer's casualty insurance may pay for repairs,
  - (c) the customer may agree to an extension of the number of monthly payments to cover the Company's cost of repair.

A Customer's obligation to pay for the measure(s) ends when the Customer closes their account. If the Customer is the owner or lessor of the premises, the Customer must inform all prospective purchasers or renters of the location that there is an unexpired obligation under this rate. Whenever a Customer applies for service at a location which was the subject of a previous Smart Start Agreement, payment for which has not been completed, such Customer shall become responsible for the remaining balance. If the location was the subject of an accelerated payment term, the new Customer has the option to revert at any time to the minimum monthly charge that was available to the former Customer. Acceptance of electric service constitutes acceptance of the obligations under this rate by the new Customer.

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#### LANDLORD'S AND LESSOR'S RESPONSIBILITIES

In order to be eligible to accept the installation of the energy efficiency or load management measures in a location which is rented or leased to tenants who currently are Customers of the Company or future tenants of such locations who will apply for service from the Company at such locations, the owner and the landlord or lessor (in case the landlord or lessor is not the owner) must enter into a Smart Start Agreement under which they agree:

- (1) to cooperate in obtaining the consent of any existing tenants to enter into a Smart Start Agreement with the Company,
- (2) to inform all prospective new tenants of the obligation to enter into a Smart Start Agreement for the remaining balance of any previous Smart Start Agreement attributable to the rented or leased location; and
- (3) to inform all subsequent owners or lessors of these obligations with respect to informing tenants of their obligation to enter into a Smart Start Agreement.

Landlords and lessors of service locations must also agree to allow the Company access to any measures in order to inspect or repair the measures.

#### PRICING AND CONTRACT TERM

The Smart Start Agreement will specify the monthly charge and the term of the payment period. A Customer can choose to accelerate the payment period term by paying a higher monthly charge or a Customer can choose to pay the remaining balance owed to the Company at any time. Customers selecting an accelerated payment period term can revert at any time to the minimum monthly charge available to the Customer. The term of the Smart Start Agreement may be extended by the Company to recover its costs for out of warrantee repairs or missed payments.

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000275



Docket No. DE 09-035  
Attachment SRH-3  
June 30, 2009

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

ELECTRICITY DELIVERY SERVICE TARIFF - NHPUC NO. 67

~~ISSUED IN LIEU OF SUPERSEDING~~  
ELECTRICITY DELIVERY SERVICE TARIFF NHPUC NO. 56

Applicable

in

Various towns and cities in New Hampshire,

served in whole or in part.

(For detailed description, see Service Area)

Issued: ~~July 3, 2007~~ June 30, 2009

Issued by: ~~/s/ Paul E. Ramsey/s/ Gary A. Long~~  
Paul E. Ramsey ~~Gary A. Long~~

Effective: ~~July 1, 2007~~ August 1, 2009

Title: Vice President – Energy Delivery  
~~President and Chief Operating Officer~~

Authorized by NHPUC Order No. 24,750 in Docket No. DE 06-028, dated May 25, 2007; Order No. 24,768 in Docket No. DE 06-125, dated June 29, 2007; Order No. 24,769 in Docket No. DE 06-134, dated June 29, 2007; and, Order No. 24,770 in Docket No. DE 07-068, dated June 29, 2007

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000280

TERMS AND CONDITIONS FOR DELIVERY SERVICE

1. Service Area

The territory authorized to be served by this Company and to which this Tariff applies is as follows:

Albany#	Bridgewater#	Danbury#	Freedom#
Alexandria*	Bristol#	Danville**	Fremont#
Allenstown#	Brookfield#	Deerfield*	Gilford#
Alstead**	Brookline	Deering	Gilmanton
Alton**	Cambridge	Derry#	Gilsum
Amherst	Campton*	Dover	Goffstown
Andover**	Candia*	Dublin	Gorham
Antrim	Canterbury*	Dummer	Goshen*
Ashland**	Carroll	Dunbarton#	Grafton#
Atkinson*	Charlestown*	Durham#	Grantham#
Auburn#	Chatham	Easton*	Greenfield
Barnstead*	Chester*	Eaton#	Greenland
Barrington	Chesterfield	Effingham	Greenville
Bath#	Chichester*	Enfield**	Green's Grant
Bedford	Claremont#	Epping#	Hampstead#
Belmont#	Clarksville*	Epsom*	Hampton**
Bennington	Colebrook*	Errol	Hancock
Berlin	Columbia*	Exeter**	Hanover**
Bethlehem#	Concord**	Farmington#	Harrisville
Boscawen**	Conway*	Fitzwilliam	Haverhill*
Bow**	Cornish*	Francestown	Hebron#
Bradford	Croydon#	Franconia	Henniker
Brentwood*	Dalton	Franklin#	Hill**

# Company serves over 90 percent of the customers in this municipality. (See Note)

\* Company serves less than 90 percent but more than 10 percent of the customers in this municipality. (See Note)

\*\* Company serves less than 10 percent of the customers in this municipality. (See Note)

Note: Limited areas of towns so identified above are as shown on the maps filed separately with the Commission and incorporated in this Tariff by reference.

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President and Chief Operating Officer

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Hillsborough	Meredith**	Pembroke#	Stratford
Hinsdale	Merrimack	Peterborough	Stratham**
Hollis	Middleton	Piermont*	Sugar Hill
Hooksett	Milan	Pinkham's Grant	Sullivan
Hopkinton#	Millsfield	Pittsburg#	Sunapee*
Hudson	Milford	Pittsfield#	Surry#
Jaffrey	Milton	Plainfield*	Sutton#
Jefferson	Mont Vernon	Plymouth**	Swansey
Keene	Nashua	Portsmouth	Tamworth#
Laconia#	Nelson	Randolph	Temple
Lancaster	New Boston	Raymond*	Thornton
Landaff*	New Castle	Richmond	Tilton
Lee*	New Durham*	Rindge	Tuftsboro*
Lempster**	New Hampton*	Rochester	Troy
Lincoln**	New Ipswich	Rollinsford	Unity*
Lisbon#	New London	Roxbury	Wakefield#
Litchfield	Newbury	Rye	Warner
Littleton**	Newfields	Salisbury*	Washington
Londonderry	Newington	Sanbornton#	Waterville**
Loudon	Newmarket	Sandown*	Weare
Lyman#	Newport#	Sandwich*	Webster*
Lyme*	North Hampton	Seabrook**	Wentworth's
Lyndeboro	Northfield*	Sharon	Location
Madbury	Northumberland	Shelburne	Westmoreland
Madison#	Northwood#	Somersworth	Whitefield
Manchester	Nottingham*	Springfield*	Wilmot**
Marlboro	Orange**	Stark	Wilton
Marlow#	Orford*	Stewartstown*	Winchester
Martin's Location	Ossipee*	Stoddard	Windham#
Mason	Pelham**	Strafford	Windsor

# Company serves over 90 percent of the customers in this municipality. (See Note)

\* Company serves less than 90 percent but more than 10 percent of the customers in this municipality. (See Note)

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Note: Limited areas of towns so identified above are as shown on the maps filed separately with the Commission and incorporated in this Tariff by reference.

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000232

## 2. Definitions

The following words and terms shall be understood to have the following meanings when used in this Tariff, including in any agreements entered into under this Tariff:

**Application:** A request by a Customer for Delivery Service pursuant to the provisions of this Tariff.

**Commission:** The State of New Hampshire Public Utilities Commission.

**Customer:** Any person, firm, corporation, cooperative marketing association, utility or government unit or sub-division of a municipality or of the state or nation supplied with Delivery Service by the Company. Each Delivery Service account shall be considered a separate and distinct Customer.

**Customer Choice Date:** May 1, 2001.

**Default Energy Service ("Default Service"):** Electric energy and capacity supplied to a Customer by the Company. The Company shall supply all Default Service in its service territory from its generation assets and, if necessary, through supplemental power purchases in a manner approved by the Commission. Service shall be supplied during periods in which a Customer is not receiving Self-Supply Service or Supplier Service. Default Service shall be provided in accordance with Default Energy Service Rate DE and shall be provided in conjunction with the applicable Delivery Service Rate Schedule.

**Delivery Service:** The delivery of electric power by the Company to a Customer under this Tariff.

**Electronic Enrollment:** A request submitted electronically to the Company by a Supplier for the initiation of Supplier Service to a Customer.

**Energy Service Provider ("Supplier"):** Any entity registered with the Commission and authorized by the Commission to supply electricity to retail users of electricity in the state of New Hampshire.

**FERC:** The Federal Energy Regulatory Commission.

**Force Majeure:** Any cause beyond the reasonable control of, and without the fault or negligence of, the Party claiming Force Majeure. It shall include, without limitation, sabotage, strikes or other labor difficulties, soil conditions, riots or civil disturbance, acts of God, acts of public enemy, drought, earthquake, flood, explosion, fire, lightning, landslide, sun storms or similarly cataclysmic occurrence, or appropriation or diversion of electricity by sale or order of any governmental authority having jurisdiction thereof. Economic hardship of either Party shall not constitute a Force Majeure under this Tariff.

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**ISO-NE:** The Independent System Operator of New England, the NEPOOL operating center that centrally dispatches the electric generating and transmission facilities owned or controlled by NEPOOL participants to achieve the objectives of the NEPOOL Agreement.

**Local Network:** The transmission and distribution facilities which are owned, leased and maintained by the Company, which are located in the states of New Hampshire and Maine and that are used to provide Delivery Service under this Tariff. The Local Network does not include any capacity or transmission or distribution facilities owned, leased or supported by the NU System Companies.

**NEPOOL:** The New England Power Pool.

**Northeast Utilities System Companies ("NU System Companies"):** The operating companies of Northeast Utilities Service Company other than PSNH.

**Parties or Party:** PSNH and/or one or more Customers under this Tariff.

**Payment Agent:** Any third-party authorized by a Customer to receive and pay the bills rendered by the Company for service under this Tariff.

**PTF Facilities:** All pool transmission facilities included in the NEPOOL Open Access Transmission Tariff on file with the FERC.

**PSNH ("Company"):** Public Service Company of New Hampshire.

**Rate Schedule:** The Rate Schedules included as part of this Tariff.

**Restated NEPOOL Agreement ("NEPOOL Agreement"):** An agreement between the NEPOOL participants dated September 1, 1971 and restated December 31, 1996, as amended from time to time.

**Requirements for Electric Service Connections:** The booklet prepared by the Company to establish standardized rules and regulations for the installation of electric service connections within the Company's Service Area.

**Self-Supply Service:** Electric energy and capacity purchased by a Customer directly from the Independent System Operator of New England or the New England Power Pool.

**Settlement Agreement:** The Settlement Agreement by and between the state of New Hampshire, Northeast Utilities and Public Service Company of New Hampshire dated June 23, 2000, and conformed as of September 22, 2000.

**Supplier-Rendered Energy Service ("Supplier Service"):** The sale of energy and capacity including ancillary services to a Customer by a Supplier.

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000284

**Tariff:** This Delivery Service Tariff and all Rate Schedules, appendices and exhibits to such Tariff.

### 3. General

The Company undertakes to render dependable Delivery Service in accordance with this Tariff, of which these Terms and Conditions are a part, as on file from time to time with the Commission and legally in effect; such undertaking being subject to the applicable rules and regulations of the Commission and to the Company's "Requirements for Electric Service Connections."

Although the Company will endeavor to make the service rendered as continuous and uninterrupted as it reasonably can, Delivery Service is subject to variations in its characteristics and/or interruptions to its continuity. Therefore, the characteristics of the Delivery Service may be varied and/or such service to any Customer or Customers may be interrupted, curtailed, or suspended in the following described circumstances; the obligations of the Company to render service under this Tariff are subject to such variance, interruption, curtailment, or suspension:

- (a) When necessary to prevent injury to persons or damage to property.
- (b) When necessary to permit the Company to make repairs to or changes and improvements in a part or parts of the Company's electrical facilities; such action to be taken upon reasonable notice to the Customers to be affected, if practicable, or without any notice in an emergency when such notification would be impracticable or would prolong a dangerous situation.
- (c) When conditions in a part or parts of the interconnected generation-transmission system of which the Company's facilities are a part make it appear necessary for the common good.
- (d) When such variance, including a reversal of supply, or such interruption, curtailment or suspension is a result of Force Majeure as defined in this Tariff and any cause except willful default or neglect on the Company's part.

The Company shall not be responsible for any loss, cost, damage or expense to persons and/or property resulting therefrom.

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000235

The Company does not undertake to regulate the voltage or frequency of its service more closely than is standard commercial practice or required by the rules of the Commission. If the Customer requires regulation of voltage or frequency that is more refined, the Customer shall furnish, install, maintain and operate the necessary apparatus at the Customer's expense.

#### 4. Availability

Delivery Service shall be available to a Customer who has made an Application and has satisfied all of the requirements of this Tariff. Delivery Service shall be available solely for the delivery of electricity from a Supplier to a Customer or for the delivery of Default Service or Self-Supply Service to a Customer.

In the event that a conflict arises between this Tariff and the Terms and Conditions specifically related to transmission service under NU System Companies Transmission Service Tariff No. 10, or successor thereto, then NU System Companies Transmission Service Tariff No. 10 will apply.

In the event a conflict arises between this Tariff and the Settlement Agreement, then the Settlement Agreement will take precedence over this Tariff.

In the event that a Customer is not receiving Self-Supply Service and is not receiving Supplier Service from a Supplier for any reason, the Company will arrange Default Service provided the Customer has satisfied all the requirements for service under this Tariff.

#### 5. Application, Contract and Commencement of Service

Application by the Customer for Delivery Service may be made to the Company at any time. Whether or not an Application for service is made by the Customer and accepted by the Company, the rendering of the service by the Company and its use by the Customer shall be deemed a contract between the parties and subject to all provisions of the Tariff, as in effect from time to time, applicable to the service.

Except as otherwise specifically provided for under a rate, all rates are predicated on a period of service at one location of not less than twelve (12) consecutive months with monthly billing and monthly payment. The rendering of bills to Customers under this Tariff shall be performed exclusively by the Company.

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000286

6. Selection of Supplier or Self-Supply Service by a Customer

Any Customer requesting or receiving Delivery Service under this Tariff is responsible for selecting or changing a Supplier or selecting Self-Supply Service. The Company shall process a change in or initiation of Supplier Service or Self-Supply Service within two business days of receiving a valid Electronic Enrollment from a Supplier or notice from the Customer in the case of Self-Supply Service. The Supplier or the Customer in the case of Self-Supply Service must satisfy all the applicable requirements of this Tariff and the Commission's rules prior to the commencement of Supplier Service or Self-Supply Service. The date of change in, or initiation of, Supplier Service or Self-Supply Service shall commence upon the next meter reading date for the Customer provided the Company receives and successfully processes the Electronic Enrollment from a Supplier or notice from the Customer in the case of Self-Supply Service at least two business days prior to the regularly scheduled meter reading cycle date for the Customer.

The Company shall accept no more than one Supplier for a Customer during any particular monthly billing cycle.

For a new service location for which a Customer requests Delivery Service, the Company must receive an Electronic Enrollment from a Supplier to enable the rendering of Supplier Service in conjunction with Delivery Service or notice from the Customer to enable the rendering of Self-Supply Service in conjunction with Delivery Service. If an Electronic Enrollment has not been received by the Company from a Supplier for any reason or notice has not been received from the Customer to enable the rendering of Self-Supply Service, energy and capacity shall be provided under the Company's Default Energy Service Rate DE.

If an Electronic Enrollment fails to meet the requirements of this Tariff, the Company shall, within one business day of receipt of the Electronic Enrollment, notify the Supplier requesting service of the reasons for such failure.

The Customer or its designee shall ensure that all information provided to the Company for Delivery Service is accurate and shall provide the Company with prompt notification of any changes thereto. The Customer's Supplier shall also ensure that all information contained in the Supplier's Electronic Enrollment is accurate and shall provide the Company with prompt notification of any changes thereto.

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7. Termination of Supplier Service or Self-Supply Service

To terminate Supplier Service from a particular Supplier, a Customer may either have the Supplier of record send to the Company a "Supplier Drops Customer" transaction, in accordance with the Terms and Conditions for Energy Service Providers section of this Tariff, or request Supplier Service from an alternative Supplier. Supplier Service from the Supplier of record shall terminate on the next meter read date provided the Company has received either a valid "Supplier Drops Customer" notice from the Supplier of record or a valid Electronic Enrollment from a new Supplier at least two business days prior to the regularly scheduled meter read date.

To terminate Self-Supply Service, a Customer may either provide notice to the Company or request Supplier Service from a Supplier. Self-Supply Service shall terminate on the next meter read date provided the Company has received notice from the Customer or has received a valid Electronic Enrollment from a Supplier at least two business days prior to the regularly scheduled meter read date.

8. Unauthorized Switching of Suppliers

The Company is not responsible for any loss or damage (direct, indirect or consequential) to any persons resulting from the Company's processing of an unauthorized Electronic Enrollment received from a Supplier.

9. Conditions of Delivery Service

Under the NEPOOL Agreement, the day-to-day operation of the generation and transmission systems of NEPOOL Participants, including the Company, is subject to ISO-NE dispatch and control. It is understood that occasions may arise where ISO-NE imposes limitations on service rendered under this Tariff in order to reliably operate the regional bulk power system in accordance with ISO-NE Operating Procedures. The Company shall not be liable for any actions taken by ISO-NE in the performance of the Company's duties under the NEPOOL Agreement and related operating guidelines and procedures.

10. Deposits, Payments, Refusal or Discontinuance of Service

Until a Customer has established satisfactory credit relations or when unsatisfactory credit relations exist, the Company may require security in the form of a cash deposit or an irrevocable written guarantee of a responsible third party. Cash deposits should not be less than \$10.00 nor more than the estimated bill for Delivery Service and Default Service for a period of two (2) high use months. The highest use month will not be used in determining the amount of deposit.

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Interest on all deposits shall be accrued at a rate equal to the base rate on corporate loans at large United States money center commercial banks (the Prime Rate), from the date of deposit to the date of termination. The monthly simple interest rate on deposits shall be fixed on a quarterly basis for quarterly periods ending March, June, September and December of each calendar year and shall be established as one-twelfth (1/12) of the annual Prime Rate reported in The Wall Street Journal on the first business day of the month preceding the calendar quarter. If more than one Prime Rate is reported in The Wall Street Journal, the average of the reported rates shall be used. Deposits plus accrued simple interest thereon, less any amount due the Company, will be refunded to the Customer when satisfactory credit relations have been established, or upon termination of service. The refund of accrued interest amounts shall be made by the Company pursuant to the rules of the Commission. When a deposit or balance of a deposit cannot be refunded because the Company is unable to locate the Customer, no additional interest shall be accrued on the deposit.

Charges for service under rates in this Tariff are predicated upon monthly billing, which as far as practicable will be thirty (30) days apart, and will be due upon presentation of bill. The Company may discontinue service for non-payment after a bill, or a portion thereof, becomes thirty (30) days overdue, or for other good cause, in accordance with applicable statutes and the rules and regulations of the Commission in effect at the time. Service to the Customer may be discontinued at the location where the Company furnished the service for which the overdue bill was rendered; or, if service is no longer being furnished to the Customer at that location, the Company may discontinue service at the current location, if the debt is uncontested and accrued within the past three years, subject to the Commission's Rules and Regulations.

When service has been disconnected for nonpayment, the Company may make a reasonable charge for reconnection before service is restored.

Except as otherwise specifically provided in any agreement between the Company and the Customer, charges for service furnished under this Tariff shall continue until such time as the Company shall receive reasonable notice from the Customer of a desire to terminate the service. The date of termination shall be the date specified by the Customer but not sooner than four business days from the date the Customer notified the Company.

The Company may require an applicant, as a condition of new service, to enter into a reasonable repayment plan for an uncontested debt owed to the Company within the past three years. Uncontested debt shall include any amounts for services provided by the Company before the Customer Choice Date and/or any amounts for Delivery Service and any Default Service furnished to the applicant. The Company may require the applicant to pay a security deposit or provide a written third-party guarantee as allowed under the rules and regulations of the Commission.

Whenever a Customer makes payment to the Company for service under this Tariff with a check or draft that is not accepted by the institution on which it is written, the Company shall make a charge to the Customer of either \$5.00 or the actual administrative cost of recovery, whichever amount is greater.

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#### 11. Failure of Payment Agent to Remit Payment

A Customer who has elected to use a Payment Agent shall be treated in the same manner as other Customers in the Company's application of the applicable statutes, rules and regulations of the Commission and the terms and conditions of this Tariff, notwithstanding any failure of the Payment Agent to remit payment to the Company or any failure of the Payment Agent to forward to the Customer any Company notices, bill inserts or other written correspondence. The Customer shall be solely responsible for all amounts due, including, but not limited to, any late payment charges.

#### 12. Refusal to Serve

The Company reserves the right to refuse to supply Delivery Service to new Customers or to supply additional load to any existing Customer if it is unable to do so under a Rate Schedule or if it is unable to obtain the necessary equipment and facilities or capital required for the furnishing of such service. The Company may refuse to supply Delivery Service to load of unusual characteristics which might affect the cost or quality of service supplied to other Customers of the Company. The Company may require a Customer having such unusual load to install special regulating and protective equipment in accordance with the Company's specifications as a condition of service.

The Company reserves the right to reject any Application for service if the amount or nature of the service applied for, or the distance of the premises to be served from an existing suitable distribution line, or the difficulty of access thereto, is such that the estimated income from the service applied for is insufficient, under any of the Company's applicable rates, to yield a reasonable return to the Company, unless such Application is accompanied by (a) a cash payment or (b) an undertaking satisfactory to the Company guaranteeing a stipulated revenue for a definite period of time, or both (a) and (b).

#### 13. Maximum Demand

The "Maximum Demand" or "Customer's Load," which shall be stated in kilowatts or kilovolt-amperes as specified in the applicable Rate Schedule, is defined as the greatest rate of taking Delivery Service during a specified interval.

Where a Rate Schedule requires determination of maximum demand, it shall be determined by measurement or estimated as provided by the Rate Schedule or, where applicable, by the provisions of the following paragraph of this section. The Company shall not be obligated, for any reason, to use the demand values measured or estimated by any other entity in the determination of maximum demand.

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When the nature of the Customer's load is of an intermittent, instantaneous or widely fluctuating character such as to render demand meter readings of doubtful value as compared to the actual capacity requirements, the demand may be determined on the basis of a time interval less than that specified, or on the basis of the minimum transformer capacity necessary to render the Delivery Service, or the minimum protective device rating necessary to permit continuous uninterrupted service. In all such instances, the Company will record the basis of demand determination.

#### 14. Meters

The Company will provide each Customer with proper metering equipment subject to the ability of the Company to obtain the same.

The Company shall own and maintain the metering equipment necessary to measure Delivery Service under this Tariff. Each meter location shall be designated by the Company and the Company shall have priority over any other entity with respect to placement of Company-owned metering equipment.

Any Customer requesting non-standard metering equipment, the cost of which exceeds the cost of the metering equipment necessary for the rendering of Delivery Service under the applicable Rate Schedule, shall be responsible for the additional cost of the requested metering equipment including any incremental labor costs associated with installation of the requested metering equipment. Any such metering equipment must be approved by the Company.

Each dwelling unit of a new or renovated domestic structure with more than one dwelling unit will be metered separately and each meter will be billed as an individual Customer. Where an individual household or business enterprise, occupation or institution occupies more than one unit of space, each unit will be metered separately and considered a distinct Customer, unless the Customer furnishes, owns and maintains the necessary distribution circuits by which to connect the different units to permit delivery and metering at one location of all the energy used.

The Company may for its own convenience install more than one meter per Customer, but in such cases the meter readings will be cumulated when billing.

In cases of non-access or where a meter fails to register the full amount of electricity consumed, the amount of the bill will be estimated by the Company, based upon the use recorded during previous months, or upon the best information available.

The Company may estimate, rather than meter, demand and kilowatt-hours used by a Customer where the demand and kilowatt-hour usage are constant and known or for locations which, in the Company's judgment, are unsafe or impractical to separately meter or to access on a regular basis by Company personnel.

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#### 15. Customer Use of Electricity

In recognition of the fact that the wiring and facilities for the use of electricity on the Customer's premises are owned by and under the control of the Customer, the Company shall not be responsible for any loss, cost, damage, or expense to persons and/or property resulting from the use of or presence in the Customer's wiring or appliances, electricity delivered in accordance with the provisions of these Terms and Conditions and the Company's Requirement for Electric Service Connection.

If the Customer's requirements for electricity or use of service, or installation of Customer-owned equipment (including but not limited to motors, generation, meters, or capacitors) results in or is anticipated to result in damage to the Company's apparatus or facilities or electrical disturbances to other customers on the Company's distribution system, the Customer shall be responsible for the cost to the Company of repairing, replacing or upgrading the Company's facilities. If the Customer fails to correct for the interference with the operation of the Company's distribution system or with the electrical supply to other Customers, the Company reserves the right to refuse service or to disconnect service upon proper notice.

#### 16. Compliance

Service hereunder is subject to the Customer's compliance with the following conditions:

- (a) The Customer shall comply with or perform all of the requirements or obligations of this Tariff and the Company's "Requirements for Electric Service Connections".
- (b) The Customer shall allow the Company reasonable access to the Company's facilities located on the Customer's premises.
- (c) The Customer shall comply with any applicable orders and regulations of the Commission.
- (d) The Customer shall not cause or allow to exist any unauthorized or fraudulent use or procurement of the Delivery Service or any tampering with the connections or other equipment of the Company, or any condition on the Customer's premises involving the Delivery Service which is dangerous to health, safety or the electric service of others or which represents a clear and present danger to life, health, or physical property, or to the Company's ability to serve its other Customers.
- (e) The Customer shall notify the Company when the Customer no longer desires Delivery Service.

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17. Resale of Delivery Service

No customer shall sell, resell, assign or otherwise dispose of all or any part of the Delivery Service purchased from the Company without the written consent of the Company.

18. Company Property

The Company shall have the right to install, maintain and operate such Company-owned facilities on the premises of the Customer as in its judgment may be required to render Delivery Service to the Customer in accordance with this Tariff, whether such facilities shall be overhead or underground and whether the premises of the Customer are owned or leased to the Customer, and shall have the free right at all reasonable times to enter upon said premises for the purpose of maintaining, repairing, replacing or removing such facilities. Normally such facilities will consist of, but they shall not be limited to, overhead or underground service wires or cables extending to a Company-owned meter or meters and associated equipment.

Customer must provide, without expense or cost to the Company, the necessary permits, consents or easements satisfactory to the Company in order to install, maintain, repair, replace, or remove the Company's facilities on the Customer's property or property owned by others on which facilities are placed to serve the Customer.

If the Customer is a tenant or a mortgagor and his right of occupancy does not include authority to grant the Company the foregoing rights, he shall obtain his landlord's or his mortgagee's authority to grant the foregoing rights, and the Company may require that such authority be evidenced in writing by the landlord or mortgagee.

In the case of underground facilities, the Customer shall not erect or maintain or permit to be erected or maintained any building or structure over such facilities and shall not plant or permit to be planted any trees over such facilities.

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## 19. Holidays

The following New Hampshire legal holidays shall be recognized as holidays for purposes of billing service in off-peak periods:

<u>Holiday</u>	<u>Day Celebrated</u>
*New Year's Day	January 1st
Martin Luther King, Jr.	
Civil Rights Day	Third Monday in January
Washington's Birthday	Third Monday in February
Memorial Day	Last Monday in May
*Independence Day	July 4th
Labor Day	First Monday in September
Columbus Day	Second Monday in October
*Veterans Day	November 11th
Thanksgiving Day	When appointed
*Christmas	December 25th

\* If these days fall on Sunday, the following day shall be considered the holiday.

## 20. Conjunctional Service

Conjunctional Service is a Customer's use of Delivery Service under this Tariff for delivery of either Supplier Service or Default Service which supplements or is in addition to any other source of electric service connected on the Customer's side of the meter. Conjunctional Service must be taken in accordance with the Company's "Requirements for Electric Service Connections" and the Company's technical guidelines and requirements pertaining to Qualifying Facilities ("QFs", as defined in Sections 201 and 210 of Title II of the Public Utility Regulatory Policies Act of 1978) filed with the Commission in compliance with Commission Order No. 14,797. Conjunctional service is available to QFs and to other Customers who are not QFs who have available another source of electric service connected on the Customer's side of the meter.

All Conjunctional Service furnished by the Company to Customers under this Tariff shall be taken by the Customers under the Rate Schedule which would otherwise be available for Delivery Service applicable to the total internal load of the Customer.

## 21. Conditions Under Which This Tariff is Made Effective

On June 30, 2009, PSNH filed with the Commission a petition seeking an increase in Distribution Rates effective August 1, 2009. This Tariff contains rates which increase PSNH's distribution charges by approximately \$51.1 million. The rates and charges under this Tariff shall be implemented on a pro-rated basis. On May 25, 2007 the Commission issued Order No. 24,750 in Docket No. DE 06-028 (Petition for Approval of Delivery Service Rates) approving a Settlement Agreement filed with the Commission in this docket on February 26, 2007 containing the following substantive provisions: (a) three changes to PSNH's delivery service rates; (b) the adoption of a Transmission Cost Adjustment Mechanism, a fully reconciling mechanism designed to recover

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all of PSNH's costs for transmission-related services; (c) the allocation of revenue responsibility to rate class and rate design as described in PSNH's permanent rates filing in Docket No. DE 06-028, with modifications to PSNH's Backup Delivery Service Rate B; and (d) several tariff changes, including the establishment of a new field collection fee and revisions to service charges and line extension surcharges and credits. With respect to the changes to delivery service rates, the first change is an increase effective July 1, 2007 on a bills-rendered basis, reflecting an approximate \$26 million increase to the distribution component and an approximate \$11 million increase to the transmission component of PSNH's delivery service revenue. In addition, the July 1, 2007 increase includes a one-year recoupment of the difference between revenues received using the temporary rates effective July 1, 2006 and the permanent rates implemented on July 1, 2007. The second change is an increase effective January 1, 2008, designed to recover additional distribution capital additions placed in service between July 1, 2007 and December 31, 2007. The final change is a decrease effective July 1, 2008 to remove the recoupment amount.

On January 1, 2008, PSNH implemented on a bills-rendered basis new distribution charges approved by the Commission in its Order No. 24,750 dated May 25, 2007 in Docket No. DE 06-028; new stranded cost recovery charges reflecting a decrease in the overall average stranded cost recovery rate from 1.43 cents per kilowatt-hour to 0.72 cents per kilowatt-hour as approved by the Commission in its Order No. 24,807 dated December 17, 2007 in Docket No. DE 07-097; and a new Default Energy Service rate of 8.82 cents per kilowatt-hour as approved by the Commission in its Order No. 24,814 dated December 28, 2007 in Docket No. DE 07-096. In addition, pursuant to RSA Chapter 362-A effective August 17, 2007, the eligibility for net metering service includes renewable projects with peak generating capacity up to 100 kilowatts.

On July 1, 2008, PSNH implemented on a bills-rendered basis new distribution charges approved by the Commission in its Order No. 24,870 dated June 27, 2008 in Docket No. DE 08-071; new stranded cost recovery charges reflecting a decrease in the overall average stranded cost recovery rate from 0.72 cents per kilowatt-hour to 0.65 cents per kilowatt-hour as approved by the Commission in its Order No. 24,872 dated June 27, 2008 in Docket No. DE 07-097; new transmission charges reflecting an increase in the overall average transmission rate from 0.752 cents per kilowatt-hour to 0.935 cents per kilowatt-hour as approved by the Commission in its Order No. 24,869 dated June 27, 2008 in Docket No. DE 08-069; and a new Default Energy Service rate of 9.57 cents per kilowatt-hour as approved by the Commission in its Order No. 24,871 dated June 27, 2008 in Docket No. DE 07-096.

On October 1, 2008, PSNH implemented on a bills-rendered basis a new system benefits charge of 0.33 cents per kilowatt-hour as approved by the Commission in its Order No. 24,903 dated September 30, 2008 in Docket No. DE 08-097.

On December 12, 2008 in compliance with Commission Order No. 24,893 dated September 15, 2008 in Docket DE 06-061, a section entitled "Interconnection Standards for Generating Facilities" was added to the Terms and Conditions for Delivery Service section of this Tariff. This section references the "Interconnection Standards for Inverters Sized Up to 100 KVA" manual, which provides standardized rules for the interconnection of inverter based generators with PSNH's distribution facilities.

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On January 1, 2009, PSNH implemented on a pro-rated basis a new Default Energy Service rate of 9.92 cents per kilowatt-hour as approved by the Commission in its Order No. 24,924 dated December 30, 2008 in Docket No. DE 08-113; and new stranded cost recovery charges reflecting an increase in the overall average stranded cost recovery rate from 0.65 cents per kilowatt-hour to 0.98 cents per kilowatt-hour as approved by the Commission in its Order No. 24,923 dated December 19, 2008 in Docket No. DE 08-114.

## 22. Customer Choice of Rate

Upon a Customer's request, the Company shall provide information as to what may be the most advantageous rates and charges available to the Customer under this Tariff. However, the responsibility for the selection of a rate lies with the Customer and the Company does not warrant or represent in any way that a Customer will save money by taking service under a particular rate. The Company will not be liable for any claim that service provided to a Customer might have been less expensive or more advantageous to such Customer if supplied under another available rate.

## 23. Statement by Agent

No representative of the Company or NU System Companies has the authority to modify any rule, provision or rate contained in this Tariff, or bind the Company for any promise or representation contrary thereto.

## 24. Third Party Claims and Non-Negligent Performance

Each Party agrees to indemnify and hold the other Party and its affiliated companies and the trustees, directors, officers, employees, and agents of each of them (collectively "Affiliates") harmless from and against any and all damages, costs (including attorneys' fees), fines, penalties, and liabilities, in tort, contract, or otherwise (collectively "Liabilities") resulting from claims of third parties arising, or claimed to have arisen, from the acts or omissions of such Party in connection with this Tariff. Each Party hereby waives recourse against the other Party and its Affiliates for, and releases the other Party and its Affiliates from, any and all Liabilities for or arising from damage to its property due to a non-negligent performance by such other Party.

## 25. Charges for Temporary Services

The Company shall have the right to charge the Customer for the total cost incurred in constructing and removing temporary services at locations under construction where the temporary service will not be converted to a permanent service. Such costs shall include the costs of labor, overheads and all materials except for the costs of transformers and meters. The Company shall not charge for the construction and removal of such temporary service whenever the temporary service is to be replaced at approximately the same location with a permanent service when construction is completed, provided that the permanent service is run from the same pole and utilizes the same material which was utilized for the temporary service.

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## 26. Underground Service

Underground electric distribution facilities will be provided by the Company, in accordance with the provisions of the Company's "Requirements for Electric Service Connections" and this Tariff, when feasible and practicable and when consistent with the normal availability of Company personnel, the orderly scheduling of construction projects, and all as reasonably determined by the Company. Subject to the above-stated limitations on the availability of underground facilities, such facilities will be provided by the Company on a consistent and equitable basis to all who qualify.

## 27. Stranded Cost Recovery Charge

The overall average level of the Stranded Cost Recovery Charge (SCRC) will be 3.4 cents per kilowatt-hour for the period from the Customer Choice Date until the earlier of the date that the non-securitized assets are fully amortized or the Recovery End Date as defined under the Settlement Agreement. The actual SCRC may vary among the different Rate Schedules and within separately metered rate options contained in certain Rate Schedules. During that time, the Company, every six months, shall compare the amount to be recovered through Parts 1, 2 and 3 of the SCRC, as defined under the Settlement Agreement with the revenue received from the billing of the SCRC. If the amount to be recovered exceeds the amount of revenue received through the billing of the SCRC, the difference will be deferred and recovered with a return as a Part 3 amount during the next six month period. The return shall equal the Stipulated Rate of Return set forth in the Settlement Agreement. If the amount to be recovered is less than the amount of revenue received through the billing of the SCRC, the difference will be used to accelerate the amortization of non-securitized stranded assets, thereby shortening the recovery period for such assets.

Subsequent to the time period described above, the Company shall calculate the SCRC to be billed during each prospective six month period. Any difference between the amount to be recovered through the SCRC during any six month period and the revenue received through the application of the SCRC during that period shall be refunded or recovered with a return during the subsequent six month period by reducing or increasing the SCRC for the subsequent six month period. The return will be calculated using the Stipulated Rate of Return set forth in the Settlement Agreement.

## 28. Transmission Cost Adjustment Mechanism

The Transmission Cost Adjustment Mechanism ("TCAM") will recover, on a fully reconciling basis, the costs incurred by the Company for transmission related services. These costs include charges under the NU System Company's FERC-filed transmission tariffs; charges billed to the Company by Other Transmission Providers; third party charges billed to the

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Company for transmission related services such as charges relating to the stability of the transmission system which the Company is authorized to recover by order of the regulatory agency having jurisdiction over such charges; and transmission-based assessments or fees billed by or through regulatory agencies, including those associated with the ISO-NE, regional transmission organization ("RTO") and the FERC. For purposes of this mechanism, "Other Transmission Providers" shall be defined as any transmission provider and any regional transmission group, an independent system operator, an RTO and their successors, or other such body with the oversight of regional transmission, in the event that any of these entities are authorized to bill the Company directly for their services.

The TCAM rates shall be established annually based on a forecast of includable costs, and shall also include a full reconciliation with interest for any overrecovery or underrecovery occurring in the prior year. The Company may file to change the TCAM rates at any time if a significant overrecovery or underrecovery occurs. Interest on overrecoveries or underrecoveries shall be calculated at the prime rate.

Any changes to rates determined under the TCAM shall only be made following a notice filed with the Commission setting forth the amount of the increase or decrease, the new rates for each rate class, and the effective date of such new rates.

#### 29. Electricity Consumption Tax Charge

On and after the Customer Choice Date, all Customers shall be obligated to pay the Electricity Consumption Tax Charge in accordance with New Hampshire Statute RSA Chapter 83-E, which may be revised from time to time, in addition to all other applicable rates and charges under this Tariff. The Electricity Consumption Tax Charge shall appear separately on all Customer bills. Any discounts provided for under a Special Contract shall not apply to the Electricity Consumption Tax Charge.

#### 30. System Benefits Charge

On and after the Customer Choice Date, and subject to Commission review, all Customers shall be obligated to pay the following System Benefits Charge in addition to all other applicable rates and charges under this Tariff. The System Benefits Charge shall appear separately on all Customer bills.

System Benefits Charge ..... 0.330 cents per kilowatt-hour

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### 31. Late Payment Charge

The rates and charges billed under this Tariff are net, billed monthly and payable upon presentation of the bill. However, Customers who receive Delivery Service under Residential Rate R, Residential Time-of-Day Rate R-OTOD, General Service Rate G, or General Service Time-of-Day Rate G-OTOD may elect to pay for all service rendered under these rates, as well as Default Energy Service Rate DE, on a Level Payment Plan available upon application to the Company.

For Customers rendered Delivery Service under Primary General Delivery Service Rate GV or Large General Delivery Service Rate LG or Backup Delivery Service Rate B, all amounts previously billed but remaining unpaid after the due date printed on the bill shall be subject to a late payment charge of one and one-half percent (1 ½ %) thereof, such amounts to include any prior unpaid late payment charges. For all other Customers, all amounts previously billed but remaining unpaid after the due date printed on the bill shall be subject to a late payment charge of one percent (1%) thereof, such amounts to include any prior unpaid late payment charges. The late payment charge is not applicable to a) residential Customers who are taking service under the statewide Electric Assistance Program (EAP) as approved by the Commission; b) residential Customers receiving protection from disconnection of service under any enhanced winter protection programs offered by PSNH; c) residential Customers whose electric bill is paid on their behalf (whether in part or in whole) through the Low Income Home Energy Assistance Program (LIHEAP); and d) past due balances of Residential Rate R, Residential Time-of-Day Rate R-OTOD, General Service Rate G, General Service Time-of-Day Rate G-OTOD, Outdoor Lighting Rate OL, or Energy Efficient Outdoor Lighting Rate EOL. Customers who are abiding by the terms of an extended payment arrangement agreed to by the Company.

### 32. Loss of Service Investigation Charge

If at the request of a Customer, the Company investigates any loss of electric service at the Customers' premises, a charge will be made for each such investigation if the Company finds the interruption of service has been caused by the Customer's equipment. The charges for this service are as follows:

For Customers rendered Delivery Service under Residential Rate R, Residential Time-of-Day Rate R-OTOD, General Service Rate G or General Service Time-of-Day Rate G-OTOD:

Investigations performed during normal business hours:	\$125 per investigation
Investigations performed outside normal business hours:	\$250 per investigation

For all other Customers, the Company shall have the right to charge the Customer for the total cost incurred to investigate the loss of service.

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### 33. Rates for Purchases from Qualifying Facilities

#### Availability:

This short-term purchase arrangement shall be available to Qualifying Facilities (QFs) interconnected with the Company. Qualifying Facilities shall mean small power producers and cogenerators that meet the criteria specified by (i) FERC in 18 C.F.R. §§ 292.203 (a) and (b); or; (ii) the definition of "limited producer" or "limited electrical energy producer" in NHRSA 362-A:1-a and who meet the requirements of RSA 362-A:3, II.

Nothing shall prohibit the Company from separately contracting for generation purchases from QFs. Nothing herein shall be construed to affect, modify or amend terms and conditions of an existing Qualifying Facility's contract or rate order with respect to the sale of its energy or capacity.

#### Selling Options:

QFs may sell to the Company or wheel through the Company. All generation sold to the Company shall be resold at the ISO-NE market clearing price and subject to appropriate charges as if the power was wheeled through the Company and sold directly to ISO-NE.

#### Metering:

Generators selling to the Company shall install metering as specified by the Company to satisfy ISO-NE requirements as they may change from time to time. Projects shall be charged a standard monthly service fee for metering service as approved by the appropriate regulatory agency.

#### Net Metering:

Projects 100 kilowatts and under using renewable generation shall have the option of being served under the Net Energy Billing Service as specified by NH RSA 362-A:9 and the rules promulgated by the appropriate regulatory agency.

#### Rates:

Qualifying Facilities selling their output to the Company will be eligible to receive Short Term Avoided Cost Rates equal to the payments received by the Company for the sale of QF generation to the ISO-NE power exchange, adjusted for line losses, wheeling costs and administrative costs incurred by the Company for the transaction. Projects shall be charged a standard monthly service fee for billing service as approved by the appropriate regulatory agency.

#### Wheeling Charges:

The Company reserves the right to impose any appropriate wheeling charges (including distribution wheeling charges) for generation transmitted through the Company and sold to ISO-NE and others as may be approved by the appropriate regulatory agency.

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Gary A. Long

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Title: Vice President – Energy Delivery  
~~President and Chief Operating Officer~~

### 34. Line Extensions

In areas in which Delivery Service by the Company is authorized, service is available under residential Delivery Service Rate Schedules Rate R and Rate R-OTOD and General Delivery Service Rate Schedules Rate G and Rate G-OTOD as follows:

- a. To all Customers on distribution lines as of July 1, 2007;
- b. To all Customers who can be served from overhead, single-phase extensions of existing distribution lines which average 300 feet or less per Customer, exclusive of normal service loops;
- c. To Customers who can be served from overhead, single-phase extensions along public highways, except for normal service loops, of existing distribution lines which average more than 300 feet per Customer but less than 5,280 feet per Customer and who have signed an agreement to pay monthly surcharges for a period of sixty (60) consecutive months equal in total to \$14.00 per 100 feet per month (14.0 cents per foot per month) of line in excess of 300 feet per Customer, each Customer's share of the total to be computed by allocating such total proportionally among the Customers to be served on the basis of the relative lengths of line required to serve each (after excluding the first 300 feet of line per Customer);
- d. To Customers who can be served from overhead, three-phase extensions along public highways, except for normal service loops, of existing distribution lines and who have signed an agreement to pay monthly surcharges for single-phase service in accordance with (c.) above and who have also signed an agreement to pay additional monthly surcharges for a period of sixty (60) consecutive months equal in total to 2.0% per month of the additional investment required to provide three-phase service over and above the investment required to provide single-phase service, including the cost of rebuilding existing facilities and adding phase wires where necessary but excluding the first \$525 per Customer for such additional investment and excluding the investment in service loops, meters and transformers;
- e. To Customers who would otherwise qualify for service under c. or d. above but who must be served from extensions located in whole or in part (exclusive of normal service loops) on private property, subject to the following provisions:

- (1) An extension on private property will be made only if:

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Assistant Secretary

- (i) Use of an alternate route entirely along public highways is not feasible, and
  - (ii) The prospective Customers provide, without expense or cost to the Company, the necessary permits, consents or easements for a satisfactory right-of-way for the erection, maintenance and operation of a line, including the right to cut and trim trees and bushes wherever necessary.
- (2) Each Customer shall sign an agreement to make payment as follows with respect to that portion of the extension which exceeds 300 feet per Customer (hereinafter referred to as the "excess"):
- (i) For the portion of the excess located on private property, each Customer shall make a lump sum payment prior to the start of construction of the extension equal to such Customer's share of the estimated cost of constructing such portion of the excess (including clearing and tree trimming), such share to be computed by allocating such estimated cost proportionally among the Customers to be served on the basis of the relative lengths of line required to serve each (after excluding the first 300 feet of line per Customer), unless such costs are otherwise apportioned by agreement of the Customers in accordance with the provisions hereinafter.
  - (ii) In addition, for the portion, if any, of the excess located along a public highway, each Customer shall pay a monthly surcharge computed in accordance with the provisions of c. or d. above.

All extensions shall be and remain the property of the Company and shall be maintained by the Company; and

- f. To Customers who could be served from overhead extensions under the provisions of b., c., d. or e. above but who instead take service through extensions partially or totally underground provided in accordance with the provisions for underground electric distribution facilities specified in the Company's Requirements for Electric Service Connections.

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000302

In addition to complying with any Company requirements relating to Customer payment of the excess cost of underground electric distribution facilities, such Customers shall be required to pay the same monthly surcharges and other payments as they would have been required to pay for totally overhead extensions as specified in c., d. or e above.

Subsequent provisions of this line extension policy which refer to c., d. or e. above shall be deemed to refer and apply equally to partially or totally underground extensions described in this section f.

In cases under c., d. and e. above, the monthly surcharges under the applicable rates and any lump sum payments on account of extensions on private property in accordance with e. (2) may be apportioned by agreement among the Customers to be served.

In cases under c., d. and e. above and for the duration of the agreement period, no additional Customers shall be entitled to receive service within the limits of the line extension unless an agreement to take service has been signed for the unexpired term of the original period. Such additional Customers shall pay single-phase and three-phase monthly surcharges in accordance with c., d. and e. above, and the monthly surcharges thereafter to all Customers taking service from the extension shall be determined by allocation in accordance with c. above.

In the case of an extension made under e. (2), the required lump sum payment shall be recomputed including such additional Customers, and the additional Customers shall pay to the Company their pro rata share of the lump sum payment required based on such recomputation. The amount of the reduction in the required lump sum payment shall be applied by the Company to reimburse proportionately each Customer having previously made a lump sum payment.

Additions may be made at any time to extensions constructed under the terms of c., d. and e. above. Should such an addition be made prior to the expiration of the original agreement period, the addition shall be computed as a unit with the original extension for the purpose of determining separately, in accordance with c. or e. (1) the monthly surcharge, or (2) the required lump sum payment (if any). A portion of any lump sum payment made by the additional Customers shall be applied by the Company to reimburse proportionately each Customer having previously made a lump sum payment. The agreement period for all additions to extensions shall be sixty (60) months, unless otherwise stated.

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Whenever a Customer applies for service at a location which was the subject of a previous line extension agreement, payments under which have not been completed, such Customer shall sign a line extension agreement for the number of months in the agreement period under the previous agreement minus the number of months billed under the previous agreement or agreements pertaining to such location.

The Company shall not be required to construct extensions under the above terms where it is necessary to cross a body of water, or to serve airport lighting, beacon lighting, street lighting, etc., or where the business to be secured will not be of reasonable duration or will tend in any way to constitute discrimination against other Customers of the Company.

Before service is available under the terms of this line extension policy, the Company may (a) require a prepayment equal to the total charges for the agreement period in addition to any required lump sum payment under e. (2), in which event, a portion of such prepayment equal to one (1) divided by the number of months in the agreement period will be credited to each month's bill or (b) require the Customer to agree that the Company shall have a lien on the Customer's real estate to secure payment of the Customer's obligations under the line extension agreement.

If service is terminated prior to the end of the agreement period, the prepayment balance will not be refunded unless and until a like amount is deposited by a new Customer requiring service at approximately the same location.

Except under unusual circumstances, the construction of line extensions will be carried on between April 15th and November 15th of each year.

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000304

## TERMS AND CONDITIONS FOR ENERGY SERVICE PROVIDERS

The following terms and conditions shall apply to Energy Service Providers ("Suppliers") doing business within the Company's Service Area and to Customers where specified.

### 1. Obligations of Suppliers

- a. At all times, the Supplier must meet the registration and licensing requirements established by law and/or by the Commission and must comply with all applicable rules promulgated by the Commission.
- b. The Supplier or the Customer in the case of Self-Supply Service must be either a member of NEPOOL or have an agreement in place with a NEPOOL member whereby the NEPOOL member agrees to take responsibility for all the NEPOOL load obligations, including but not limited to losses and uplift costs, associated with supplying energy and capacity to the Customer's delivery point.
- c. The Supplier or the Customer in the case of Self-Supply Service shall be responsible for providing all the capacity and energy needs of the Customer and shall be responsible for any and all losses which include all distribution and transmission losses along the Local Network from the PTF Facilities to the Customer's delivery point.
- d. The Supplier shall provide the Company with at least 30 days' notice prior to either the cancellation of an agreement for load responsibility with NEPOOL or a NEPOOL member, or the termination of business in the Company's Service Area. The Supplier shall accept load responsibility for all its Customers, or have an agreement with a NEPOOL member which provides for accepting load responsibility for all its Customers, until the first meter read date for each respective customer occurring two business days after notice to the Company or transmittal of any Electronic Data Interchange ("EDI") to the Company.
- e. In the case of Self-Supply Service the Customer shall provide the Company with at least 30 days' notice prior to the cancellation of an agreement for load responsibility with either NEPOOL or a NEPOOL member. The Customer shall accept load responsibility or have an agreement with a NEPOOL member which provides for accepting load responsibility for the Customer until the Customer's first meter read date occurring at least two business days after notice has been received by the Company from the Customer.
- f. The Supplier shall satisfy all the EDI standards as approved by the Commission. A Supplier shall be required to complete testing of EDI transactions prior to the rendering of Supplier Service to any Customer.

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- g. Each Supplier shall be required to enter into a service contract with the Company that resolves issues associated with, among other things, information exchange, problem resolution, cash posting, and revenue liability. This contract must be entered into prior to initiation of Supplier Service to any Customer in the Company's Service Area.
- h. The Supplier shall be responsible for obtaining the Customer's authorization, in accordance with the Commission's rules, prior to the commencement of Supplier Service.
- i. The Supplier shall be responsible for obtaining the Customer's written authorization for the release of the Customer's load history to the Supplier by the Company.

In the event a Supplier doing business in the Company's Service Area fails to comply with the obligations specified above, the Supplier shall promptly notify the Company or the Company will promptly notify the Supplier. The Supplier shall undertake best efforts to re-comply with its obligations under this Tariff and the Commission's rules in a timely manner. Until the Supplier has re-satisfied its obligations, the Company reserves the right to deny any new customer enrollments from the Supplier. In the event the Supplier is unable or unwilling to re-satisfy its obligations, the Company may transfer the Suppliers' Customers to service under Default Service after notification to the Commission.

## 2. Services and Schedule of Charges

Where applicable, the Customer and/or Supplier will be obligated to pay the following fees and charges to the Company for the following services:

### (a) Customer Change of Supplier

The Company will be entitled to make a Selection Charge for any changes initiated by a Customer, Supplier, or an authorized agent to a different Supplier or to Default Service or Self-Supply Service. For customers who are currently taking Supplier Service, Default Service or Self-Supply Service, the Selection Charge will be assessed to the new Supplier at the time the Company receives an enrollment transaction from the new Supplier. For Customers who are currently taking Supplier Service, the Selection Charge will be assessed to the existing Supplier at the time the Company receives a drop transaction from the existing Supplier. The Selection Charge will be assessed to the Customer if the Customer terminates Self-Supply Service and receives Default Service or initiates Self-Supply Service when receiving Default Service or Supplier Service.

Selection Charge .....\$5.00 per Request

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(b) Customer Usage Data

Suppliers will be provided with monthly usage data, at no charge, via an EDI transaction in accordance with the guidelines adopted by the Commission. The Supplier is responsible for obtaining the Customer's written authorization to release this information and will be required to maintain the confidentiality of the Customer information. The Supplier may not sell or provide this information, in whole or in part, to another party.

(c) Interval Data Services

The Company will provide the following Interval Data Services for Suppliers and Customers who wish to acquire, develop or analyze time interval meter data from the Company's meter installed at the Customer's service location. The following services are limited to those Customers who are rendered service under the Company's Primary General Delivery Service Rate GV, Large General Delivery Service Rate LG and Backup Delivery Service Rate B. The interval data will be provided in 30 minute intervals.

The Supplier is responsible for obtaining the Customer's authorization to release his/her meter data and shall maintain the confidentiality of Customer information. The Supplier may not sell or provide this information, in whole or in part, to another party.

1. Interval Data Access Service

At its expense, the Company will provide metering equipment capable of providing the kilowatt-hour (KWH) and kilovar-hour (KVARH) interval data. This data will be collected by the Company and validated for accuracy.

(i) Subscription Service for Interval Data via Electronic Mail (E-mail), U.S. Mail or Internet Server

The Company will provide the monthly interval data in an electronic format to the Customer or Supplier via E-Mail, U.S. Mail, or the Company will post the monthly interval data files to an internet server designated by the Company. The Customer or Supplier is responsible for downloading the file containing the interval data from the internet server.

Single Delivery Service Account .....\$25.00 per Month

(ii) One-Time Request for Interval Data

If available, the Company will provide a Customer's historical interval data in an electronic format to the Customer or Supplier at the following rate:

Single Delivery Service Account .....\$50.00 per Request

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2. Load Pulse Outputs Service

This service is offered to Customers or Suppliers who desire a pulse output from the Company's meter. The Company will acquire and install the equipment to allow the Customer or Supplier to interface with the Company's metering equipment and enable the Customer or Supplier to have access to load pulse output. Pulses representing kilowatt-hours are usually requested, but other electrical quantities such as kilovar-hours are also available. The Customer or Supplier has the option to connect this output to their own interval data recorder or other load monitoring or load management devices. The Customer or Supplier is responsible for connecting their own devices to the load pulse output. The Load Pulse Outputs Service is available at no additional charge to Customers or Suppliers who receive service under the Extended Metering Service provided the Customer or Supplier provides and maintains a dedicated, dial-up, analog telephone line to the meter. The one-time fee for this service is as follows:

Load Pulse Output

Kilowatt-hour .....\$240 per Meter  
Each Additional Meter Quantity .....\$125 per Meter

3. Extended Metering Service

This service is offered to Customers or Suppliers who desire telephone access directly to the Company's meter. The Company will acquire and install recording meters that can be accessed through a telephone line. Up to five meters can be read with one telephone line. The Customer or Supplier shall arrange for the installation and ongoing charges associated with the phone line required under this option. The Customer or Supplier will have "read-only" access through their own software to the Company's recording meter for direct retrieval of interval data from the meter. The Load Pulse Outputs Service is available at no additional charge to Customers or Suppliers who receive service under the Extended Metering Service provided the Customer or Supplier provides and maintains a dedicated, dial-up, analog telephone line to the meter. The one-time fee for this service is as follows:

Telephone Access Recording Meter .....\$148 per Telephone Line

4. Special Request Interval Data Service

The Company will provide Special Request Interval Data Service subject to mutual agreement. The Customer or Supplier may request the installation of a particular meter or communications device as long as the equipment meets all applicable Company standards and requirements. Any device installed on Company-owned equipment cannot interfere with the operation of the Company's equipment. Any communication device or meter approved for installation by the Company shall be owned, controlled and maintained by the Company. The requester shall bear all costs associated with the new product approval process as well as the installation, ownership and maintenance of the communication device or meter.

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(d) Customer Load Analysis

The Company will provide Customer Load Analysis, as an optional service, to Suppliers. The analysis will be designed to meet individual Supplier needs, or to address specific questions. Such requests may include but are not limited to, thirty-minute or sixty-minute aggregation of demands for multiple metering points or the determination of demand and energy for varying on-peak and off-peak periods. The result of the analysis will be provided in an electronic format. The Supplier is responsible for obtaining the Customer's authorization to release this information and will be required to maintain the confidentiality of the Customer information. The Supplier may not sell or provide this information, in whole or in part, to another party.

Customer Load Analysis Charge .....\$60.00 per hour

(e) Supplier Customer Service

The Company will provide Customer Service, as an optional service, to Suppliers who have entered into a written agreement for Billing and Payment Service with the Company and who have entered into a written agreement for Supplier Customer Service with the Company for a minimum of one year. Customer Service is defined as processing of standard Customer informational requests on behalf of a Supplier including Supplier balances, rate information, resolving disputes and processing Customer enrollment. This service is available for Supplier's Customers located within the Company's Service Area. This service includes inbound calls and does not include outbound telemarketing service to potential Customers or promoting new Supplier services to existing Customers. The charges shall be assessed monthly and based on minutes of call handling time as follows:

Supplier Customer Service Charge.....\$1.10 per minute

Nothing herein shall prohibit the Company and Supplier from negotiating an annual per customer fee for Customer Services. The Supplier will be responsible for establishing a separate toll free number to allow the number of calls to be tracked as well as allowing for individualization of services.

~~(b)(f)~~ Billing and Payment Service

The Company will provide Billing and Payment Service as an option to Suppliers who have entered into a written agreement for Billing and Payment Service with the Company for a minimum of one year. The monthly Billing and Payment Service Charge, listed below, is for billing arrangements which can be accommodated by the Company's billing systems without significant programming changes:

Billing and Payment Service Charge .....\$ 0.50 per bill rendered  
Minimum Billing and Payment Service Charge .....\$ 100.00 per month

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The Company shall also provide, at its option, Billing and Payment Service for Supplier pricing options which require programming changes to the Company’s billing systems. Suppliers will be assessed a one-time setup charge at the following rate to enable non-standard Supplier billing arrangements by the Company:

Programming Setup Charge .....\$95.00 per hour

Any request by the Supplier for Rate Maintenance and Error Correction service provided by the Company in support of Billing and Payment Service will be billed on a monthly basis using the hourly rate below. Rate Maintenance and Error Correction will include maintaining Supplier rates and pricing options in the Company’s billing systems and calculating Customer billing adjustments due to Supplier errors in pricing.

Rate Maintenance and Error Correction Charge .....\$50.00 per hour

All Customer payments received by the Company shall be posted first to the Customer’s balance with the Company and second to the Customer’s balance with the Supplier.

(g) Collection Services

The Company will provide Collection Services in conjunction with Billing and Payment Service for Suppliers who have entered into a written agreement for such service with the Company for a minimum of one year. The Collection Services provided to Suppliers may be similar to collection activities employed by the Company for its own active and inactive delinquent accounts, except that such collection activities shall not include disconnection of service. Collection Services shall be billed monthly at the following rate:

Collection Services Charge .....0.252% of total monthly receivable dollars

3. Initiation and Termination of Supplier Service

(a) Initiation

To initiate Supplier Service to a Customer, the Supplier shall submit an Electronic Enrollment which shall comply with the EDI standard, as may be amended from time to time.

If the information on the Electronic Enrollment passes validation, the Company will send the Supplier a “Successful Enrollment” notice. Supplier Service shall commence on the date of the Customer’s next meter read date, provided that the Supplier has submitted the Electronic Enrollment to the Company at least two business days prior to the scheduled meter read date. If the Company receives more than one Electronic Enrollment for the same Customer for the same enrollment period, the first successfully processed Electronic Enrollment shall be accepted. All subsequent Electronic Enrollments received during that enrollment period shall be rejected.

If a Supplier's Electronic Enrollment fails to meet the requirements of this Tariff, the Company shall, within one business day of receipt of the Electronic Enrollment, notify the Supplier through an EDI Error notice.

(b) Termination

To terminate Supplier Service with a Customer, the Supplier of record shall submit electronically to the Company a valid "Supplier Drops Customer" transaction. Supplier Service shall terminate on the date of the Customer's next meter read date, provided that the "Supplier Drops Customer" transaction is submitted and successfully processed at least two business days prior to the Customer's scheduled meter read date. If the "Supplier Drops Customer" transaction is not received at least two business days prior to the scheduled meter read date, Supplier Service will terminate on the subsequent meter read date. The Company shall send a "Confirm Drop Date" transaction to the Supplier of record. The Supplier of record will be responsible for notifying the Customer of the termination date.

In cases where the Company uses estimated energy and demand values for billing purposes and the estimated bill coincides with the termination of Supplier Service, the Supplier shall agree to accept the estimated metering values as final values. The Company shall not be obligated to reconcile the estimated values after actual meter reading values are available.

(c) Customer Moves

If a Customer of record moves within the Company's Service Area and the Customer or designee notifies the Company prior to the initiation of Delivery Service at the new service location that he/she wishes to continue Supplier Service with the Supplier of record, the Company shall send a "Customer Move" notice to the Supplier and no Electronic Enrollment is necessary for the continuation of Supplier Service.

If a Customer of record initiates Delivery Service at a new service location, in addition to another established account within the Company's Service Area, the Customer shall be responsible for selecting a Supplier for the new service location. If an Electronic Enrollment is not received by the Company at least two business days before the initiation of Delivery Service, the Customer will be rendered energy and capacity under Default Service.

Unless the Company is notified otherwise by the Customer, the Company treats all applications for Delivery Service as a new Customer to the Service Area and the Customer will be rendered energy and capacity under Default Service at the new service location. In the event the Company is informed that the new application for Delivery Service is a Customer of record on or after the date Delivery Service is initiated, the Supplier will be notified either by the Customer Usage Information or the Customer Usage and Billing Information EDI transactions, if and when Delivery Service is terminated at the prior service location.

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(d) Other

In the event a Delivery Service account is terminated by either the Customer or the Company, such termination will be shown on either the Customer Usage Information or the Customer Usage and Billing Information EDI transactions.

4. Interruption, Disconnection and Refusal of Delivery Service

Any interruption, disconnection and refusal of Delivery Service by the Company shall be in accordance with this Tariff and the rules of the Commission. The Company shall not be liable for any revenue losses to Suppliers as a result of an interruption or disconnection of Delivery Service to an existing Customer.

In the event the Company refuses to supply or expand Delivery Service for any reason, the Company shall not be responsible for any losses or damages (direct, indirect or consequential) to a Supplier resulting from the corresponding loss of compensation.

5. Metering

The Company shall meter each Customer in accordance with Tariff provisions. Each Customer shall be metered or its load estimated such that the loads can be reported to the ISO-NE for inclusion in the Supplier's, or applicable NEPOOL member's, load calculations.

In the event a Supplier utilizes the Company's meter readings for billing purposes, the Company shall not be responsible for any loss or damage to a Supplier resulting from a failure of the Company's metering equipment to partially or fully register the amount of electricity consumed by a Customer.

Should a Supplier install metering equipment or any other equipment on Customer-owned facilities which interferes with the operation of the Company's metering equipment or any other Company-owned equipment, the Supplier shall undertake best efforts to remedy the interference in a timely manner and shall compensate the Company for any damages resulting from the interference. Failure to remedy the interference may result in the termination of Delivery Service after 30 days' notice to the Supplier and Customer.

The Company is not obligated to use metering data registered by Supplier-owned metering equipment for the purpose of billing Delivery Service under this Tariff or for reporting load to ISO-NE.

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#### 6. Determination of Hourly Loads for ISO-NE Reporting

For each Supplier, hourly loads for each day shall be estimated or telemetered and reported daily by the Company to the ISO-NE for inclusion in the Supplier's or applicable NEPOOL member's load calculations. Hourly load estimates for non-telemetered customers will be based upon load profiles developed by the Company for each Customer or customer class of the Company.

The Company shall normally report previous days' hourly loads to the ISO-NE by a specified time. These loads shall be included in the Supplier's load calculations.

To refine the estimates of the Supplier's loads that result from the estimated hourly loads, a monthly calculation shall be performed to incorporate the most recent Customer usage information, which is available after the monthly meter readings are processed.

The hourly loads shall be determined consistent with the following steps:

- (a) The Company shall identify or develop a load profile for each customer class or each Customer for use in each day's daily determination of hourly load.
- (b) The Company shall calculate the usage factor for each Customer that reflects the Customer's usage relative to the average usage for the class. This Customer usage factor shall be used to scale the class load profile when estimating the Customer's usage.
- (c) The Company shall develop estimates of hourly load profiles for the previous day for each Supplier such that the sum of the Supplier's loads equals the hourly metered loads collected each day. Distribution losses, which are included in the hourly metered Company loads, shall be fully allocated into Supplier loads. Losses on facilities linking generation to PTF Facilities shall be fully allocated into Supplier loads.

The process of Supplier load estimation involves statistical samples and estimating error. The Company shall not be responsible for any estimating errors and shall not be liable to the Supplier for any costs that are associated with such estimating errors.

The terms above are also applicable to Customers who are receiving Self-Supply Service.

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## 7. Liability

The Company shall have no liability with respect to any transaction or arrangement by or between a Customer and Supplier.

The Company and the Supplier shall indemnify and hold the other and their respective affiliates, and the directors, officers, employees, and agents of each of them (collectively, "Affiliates") harmless from and against any and all damages, costs (including attorneys' fees), fines, penalties, and liabilities, in tort, contract, or otherwise (collectively, "Liabilities"), resulting from claims of third parties arising, or claimed to have arisen, from the acts or omissions of such party in connection with the performance of its obligations under this Tariff. The Company and the Supplier shall waive recourse against the other party and its Affiliates for or arising from the non-negligent performance by such other party in connection with the performance of its obligations under this Tariff.

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## RESIDENTIAL DELIVERY SERVICE RATE R

### AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is for Delivery Service in individual urban, rural and farm residences and apartments. Service under this rate is available to those Customers who receive all of their electric service requirements hereunder, except that controlled electric service for thermal storage devices is available under Load Controlled Delivery Service Rate LCS and outdoor area lighting is available under Outdoor Lighting Delivery Service Rate OL.

This rate is not applicable to commercial purposes except as specified hereafter. Multiple use of Delivery Service within the residence through one meter shall be billed in accordance with the predominant use of the demand. When wired for connection to the same meter, Delivery Service under this rate shall include the residence and connecting and adjacent buildings used exclusively for noncommercial purposes.

The use of single-phase motors of 3 H.P. rating or less is permitted under this rate provided such use does not interfere with the quality of service rendered to other Customers. Upon written application to the Company, the use of larger motors may be authorized where existing distribution facilities permit.

### CHARACTER OF SERVICE

Delivery Service supplied under this rate will be single-phase, 60 hertz, alternating current, normally three-wire at a nominal voltage of 120/240 volts.

### RATE PER MONTH

Customer Charge ..... \$~~12.00~~8.93 per month

Energy Charges:

Per Kilowatt-Hour

Distribution Charge..... ~~2.91~~43.315¢

Transmission Charge ..... 1.035¢

Stranded Cost Recovery..... 1.052¢

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Gary A. Long

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President and Chief Operating Officer

## WATER HEATING - UNCONTROLLED

Uncontrolled water heating service is available under this rate when such service is supplied to approved water heaters equipped with either (a) two thermostatically-operated heating elements, each with a rating of no more than 5,500 watts, so connected or interlocked that they cannot operate simultaneously, or (b) a single thermostatically-operated heating element with a rating of no more than 5,500 watts. The heating elements or element shall be connected by means of an approved circuit to a separate water heating meter. Delivery Service measured by this meter will be billed monthly as follows:

Meter Charge .....\$3.154.25 per month

### Energy Charges:

Distribution Charge.....1.4281.625¢ per kilowatt-hour

Transmission Charge .....0.800¢ per kilowatt-hour

Stranded Cost Recovery.....1.052¢ per kilowatt-hour

## WATER HEATING - CONTROLLED

Controlled off-peak water heating is available under this rate for a limited period of time at those locations which were receiving controlled off-peak water heating service hereunder on Customer Choice Date and which have continuously received such service hereunder since that date. Service under this rate at such locations shall continue to be available only for the remaining life of the presently-installed water heating equipment. No replacement water heaters shall be permitted to be installed for service under this rate at locations which otherwise would qualify for this service.

For those locations which qualify under the preceding paragraph, controlled off-peak water heating service is available under this rate when such service is supplied to approved storage type electric water heaters having an off-peak heating element with a rating of no more than 1,000 watts, or 20 watts per gallon of tank capacity, whichever is greater. The off-peak element shall be connected by means of an approved circuit to a separate water heating meter equipped with a time switch which makes energy available for 17 hours each day. Electricity used will be billed monthly as follows:

Meter Charge .....\$5.557.50 per month

### Energy Charges:

Distribution Charge.....0.0850.097¢ per kilowatt-hour

Transmission Charge .....0.800¢ per kilowatt-hour

Stranded Cost Recovery.....0.652¢ per kilowatt-hour

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Issued by: Paul E. Ramsey /s/ Gary A. Long  
Gary A. Long

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Title: Vice President – Energy Delivery  
President and Chief Operating Officer

## ELDERLY CUSTOMER DISCOUNT

Eligible Customers may receive an Elderly Customer Discount of ten percent (10%) from bill amounts computed under this rate for service rendered at their principal residence.

Eligible Customers are those Customers 70 years of age or older who are owners or renters of their principal residence or who normally pay a substantial portion of the cost of maintaining their principal residence who were receiving the Elderly Customer Discount pursuant to an applicable rate on February 1, 1982, and who have continuously received the Elderly Customer Discount since that date; provided that when an eligible Customer who has been receiving the discount deceases, a surviving spouse who would otherwise be eligible for the discount will be deemed to be an eligible Customer.

The covered provisions of this rate shall include all provisions relating to rates and charges (including the Customer charge and any meter charge) except for charges under the provision entitled "Service Charge", line extension surcharges, or any charges under Default Service. The covered provisions shall also include service under Load Controlled Delivery Service Rate LCS.

## SERVICE CHARGE

When the Company establishes or re-establishes a Delivery Service account for a Customer at a meter location, the Company will be entitled to assess a service charge in addition to all other charges under this rate. The service charge will be \$14.00 if the Company does not have to send an employee to the meter location to establish or re-establish Delivery Service. When it is necessary for the Company to send an employee to the meter location to establish or re-establish Delivery Service, the service charge will be \$35.00. When it is necessary for the Company to send an employee to the meter location outside of normal working hours to establish or re-establish Delivery Service, the service charge will be \$70.00. The Company will be entitled to assess an \$18.00 service charge when it is necessary to send an employee to the Customer location to collect a delinquent bill. This charge shall apply regardless of any action taken by the Company including accepting a payment, making a deferred payment arrangement or leaving a collection notice at the Customer's premises.

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000317

RESIDENTIAL TIME-OF-DAY  
DELIVERY SERVICE RATE R-OTOD

AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is for Delivery Service in individual urban, rural and farm residences and apartments. Service under this rate is available at the Customer's option to those Customers who have completed a written Application for Service and signed a Service Agreement and who receive all of their Delivery Service requirements hereunder, except that outdoor area lighting is available under Outdoor Lighting Delivery Service Rate OL.

This rate is not applicable to commercial purposes except as specified hereafter. Multiple use of service within the residence through one meter shall be billed in accordance with the predominant use of the demand. When wired for connection to the same meter, service under this rate shall include the residence and connecting and adjacent buildings used exclusively for noncommercial purposes.

The use of single-phase motors of 3 H.P. rating or less is permitted under this rate provided such use does not interfere with the quality of service rendered to other Customers. Upon written application to the Company, the use of larger motors may be authorized where existing distribution facilities permit.

LIMITATIONS ON AVAILABILITY

The availability of this rate to particular Customers is contingent upon the availability of time-of-use meters and personnel to administer the rate, all as determined by the Company.

Because the Company's distribution system and Customer service facilities have a limited electrical capacity, large and/or intermittent and irregular electrical loads can result in the overloading and damaging of said facilities and can adversely affect the quality of service to other Customers of the Company. Therefore, service under this rate shall not be available where, in the Company's judgment, sufficient distribution system capacity and Customer service facilities do not exist in order to supply the electrical requirements of the applicant unless the Service Agreement provides for a suitable cash payment or a satisfactory revenue guarantee to the Company, or both. Further, in the event that a Customer receiving service under this rate shall propose to materially increase the amount of Delivery Service required, the Customer shall give the Company prior written notice of this fact, thereby allowing the Company to ascertain whether sufficient distribution system capacity and Customer service facilities exist to serve the proposed increased requirement. Where the capacity or facilities do not exist, the Customer will not make the proposed increase until the Service Agreement shall be amended to provide for a suitable cash payment or a satisfactory revenue guarantee to the Company, or both.

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President and Chief Operating Officer

000318

## SERVICE AGREEMENT

The term of the Service Agreement shall be one year, and shall continue thereafter until canceled by one month's notice to the Company by the Customer. The Customer will not be permitted to change from this rate to any other rate until the Customer has taken service under this rate for at least twelve months. However, upon payment by the Customer of a suitable termination charge, the Company may, at its option, waive this provision where a substantial hardship to the Customer would otherwise result.

## CHARACTER OF SERVICE

Service supplied under this rate will be single-phase, 60 hertz, alternating current, normally three-wire at a nominal voltage of 120/240 volts.

## RATE PER MONTH

Customer Charge .....\$~~28.00~~20.74 per month

Energy Charges:

Per Kilowatt-Hour

Distribution Charges:

On-Peak Hours (7:00 a.m. to 8:00 p.m.  
weekdays excluding Holidays).....9.34310.596¢

Off-Peak Hours (all other hours) .....0.4360.155¢

Transmission Charges:

On-Peak Hours (7:00 a.m. to 8:00 p.m.  
weekdays excluding Holidays).....1.035¢

Off-Peak Hours (all other hours) .....0.676¢

Stranded Cost Recovery.....0.911¢

The On-Peak Hours shall be the hours after 7:00 a.m. and before 8:00 p.m. weekdays excluding holidays as defined in this Tariff. The Off-Peak Hours shall be all hours not included in the On-Peak Hours.

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President and Chief Operating Officer

## CAPACITY CHARGE

The Company's studies may show that, in order to more closely follow cost of service, it is necessary or desirable to utilize meters capable of measuring rate of taking of electric service in kilowatts. The Company may install such meters either for all Customers served under this rate or for only those Customers whose usage of electricity is uncharacteristic of this class. At any time, the Company may file a revision of the rate form and/or charges of this rate to provide for an appropriate capacity charge. After such revision of this rate, any Customer who is subject to higher billing under this rate will have the option of continuing to take service under this rate or to take service under any other rate of the Company's Tariff which may be available.

## WATER HEATING - UNCONTROLLED

Uncontrolled water heating service is available when such service is supplied to approved water heaters equipped with either (a) two thermostatically-operated heating elements, each with a rating of no more than 5,500 watts, so connected or interlocked that they cannot operate simultaneously, or (b) a single thermostatically-operated heating element with a rating of no more than 5,500 watts. The heating elements or element shall be connected by means of an approved circuit to a separate water heating meter. Service measured by this meter will be billed monthly as follows:

Meter Charge.....\$~~4.25~~3.15 per month

### Energy Charges:

Distribution Charge.....~~1.428~~1.625¢ per kilowatt-hour  
Transmission Charge .....0.800¢ per kilowatt-hour  
Stranded Cost Recovery.....1.052¢ per kilowatt-hour

## WATER HEATING - CONTROLLED

Controlled off-peak water heating is available under this rate for a limited period of time at those locations which were receiving controlled off-peak water heating service hereunder on Customer Choice Date and which have continuously received such service hereunder since that date. Service under this rate at such locations shall continue to be available only for the remaining life of the presently-installed water heating equipment. No replacement water heaters shall be permitted to be installed for service under this rate at locations which otherwise would qualify for this service.

For those locations which qualify under the preceding paragraph, controlled off-peak water heating service is available under this rate when such service is supplied to approved storage type electric water heaters having an off-peak heating element with a rating of no more than 1,000 watts, or 20 watts per gallon of tank capacity, whichever is greater. The off-peak element shall be connected by means of an approved circuit to a separate water heating meter equipped with a time switch which makes energy available for 17 hours each day. Electricity used will be billed monthly as follows:

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~~President and Chief Operating Officer~~

Meter Charge.....\$7.505.55 per month

Energy Charges:

Distribution Charge.....0.0970.085¢ per kilowatt-hour

Transmission Charge .....0.800¢ per kilowatt-hour

Stranded Cost Recovery.....0.652¢ per kilowatt-hour

SERVICE CHARGE

When the Company establishes or re-establishes a Delivery Service account for a Customer at a meter location, the Company will be entitled to assess a service charge in addition to all other charges under this rate. The service charge will be \$14.00 if the Company does not have to send an employee to the meter location to establish or re-establish Delivery Service. When it is necessary for the Company to send an employee to the meter location to establish or re-establish Delivery Service, the service charge will be \$35.00. When it is necessary for the Company to send an employee to the meter location outside of normal working hours to establish or re-establish Delivery Service, the service charge will be \$70.00. The Company will be entitled to assess an \$18.00 service charge when it is necessary to send an employee to the Customer location to collect a delinquent bill. This charge shall apply regardless of any action taken by the Company including accepting a payment, making a deferred payment arrangement or leaving a collection notice at the Customer's premises.

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~~President and Chief Operating Officer~~



RESIDENTIAL ELECTRIC ASSISTANCE PROGRAM RATE EAP

AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is available to the primary residence of residential Customers with a household income equal to or less than 185% of the federal poverty guidelines subject to the availability of funds for this program. Customers may apply for this rate with the Electric Assistance Program Administrator (Administrator) designated by the Public Utilities Commission. The Administrator will determine initial eligibility for Rate EAP and the appropriate Percent Discount level. The Administrator will also re-certify Customers on or before the expiration date of the Customer's certification period. Billing for service under this rate shall commence on the date of the Customer's next meter read date (Effective Date) following the receipt by the Company of a certification notification transaction from the Administrator. Service under this rate shall continue until the Company receives a removal notification transaction from the Administrator, except that in the event the Customer terminates Delivery Service and does not request Delivery Service within 30 days, the Company may immediately remove the Customer from the Electric Assistance Program without notice.

This rate is available in conjunction with the Company's Residential Delivery Service Rate R or Residential Time-of-Day Delivery Service Rate R-OTOD. Therefore, service shall be provided in accordance with the terms and conditions of Rate R or Rate R-OTOD as now or hereafter effective, except as specifically provided otherwise in this rate.

PERCENT DISCOUNT

Customers will be billed for Delivery Service under Residential Delivery Service Rate R or Residential Time-of-Day Delivery Service Rate R-OTOD and, if applicable, for Energy Service under Default Energy Service Rate DE, except that a Percent Discount will be applied to all applicable Delivery Service and Energy Service rate charges including the Customer Charge and any Meter Charge, the Distribution Charge, the Transmission Charge, the Stranded Cost Recovery Charge, the System Benefits Charge and any charges under Default Energy Service. The Percent Discount will not be applied to the Electricity Consumption Tax, Line Extension Surcharges, Returned Check Charges or Service Charges. The Percent Discount cannot be applied to or combined with the Elderly Customer Discount. The covered provisions of this rate shall also include service under Load Controlled Delivery Service Rate LCS and Outdoor Lighting Delivery Service Rate OL.

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000322

The following percent discounts apply,

<u>Tier</u>	<u>Discount</u>	<u>Percentage of Federal Poverty Guidelines</u>
1	5%	176% to 185%
2	7%	151% to 175%
3	18%	126% to 150%
4	33%	101% to 125%
5	48%	76% to 100%
6	70%	up to 75%

## DEPOSITS

Deposits obtained by the Company prior to the Effective Date of service under this rate plus interest accrued thereon due to four consecutive disconnect notices, disconnection of service, or failure to provide satisfactory evidence of intent to remain at the service location for a period of twelve consecutive months shall be reviewed to ensure that the deposit amount plus accrued interest does not exceed the Customer's total bill for two high use months. To the extent the deposit exceeds the total bill amount of two high use months discounted by the Percent Discount the customer will receive on future bills under this rate, the difference shall be first applied to any outstanding balance owed to the Company by the Customer after the crediting of qualifying pre-program past due balances. Any remaining difference shall be refunded to the Customer within two months following the Effective Date of service under this rate. All other deposits obtained by the Company prior to the Effective Date of service under this rate shall be first applied to any outstanding balance owed to the Company by the Customer after the crediting of qualifying pre-program past due balances. Any remaining deposit amount shall be refunded to the Customer within two months following the Effective Date of service under this rate.

When deposits are required from Customers receiving service under this rate, the deposit shall not be more than the estimated bill for Delivery Service and Energy Service, if applicable, for a period of two high use months reduced by the amount of the Percent Discount when those months were incurred prior to the Effective Date of service under this rate.

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000323

## GENERAL DELIVERY SERVICE RATE G

### AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is for Delivery Service for any use. It is available to (1) those Customers at existing delivery points who were receiving service hereunder on General Service Rate G on January 1, 1983, and who have continuously received service under that rate and this successor since that date, and (2) all other Customers whose loads as defined for billing purposes do not exceed 100 kilowatts. Service rendered hereunder shall exclude all backup and standby service provided under Backup Delivery Service Rate B.

Customers taking service under this rate shall provide any necessary transforming and regulating devices on the Customer's side of the meter. Controlled electric service for thermal storage devices is available under Load Controlled Service Rate LCS and outdoor area lighting is available under Outdoor Lighting Delivery Service Rate OL.

### CHARACTER OF SERVICE

Delivery Service supplied under this rate will be 60 hertz, alternating current, either (a) single-phase, normally three-wire at a nominal voltage of 120/240 volts, or (b) three-phase, normally at a nominal voltage of 120/208 or 277/480 volts. Three-phase, three-wire service at a nominal voltage of 240, 480 or 600 volts is available only to those Customers at existing locations who were receiving such service on February 1, 1986, and who have continuously received such service since that date. In underground secondary network areas, Delivery Service will be supplied only at a nominal voltage of 120/208 volts.

### RATE PER MONTH

	<u>Single-Phase Service</u>	<u>Three-Phase Service</u>
Customer Charge ..... per month	\$13.5010.06 per month	\$27.0020.13

#### Customer's Load Charges:

Per Kilowatt of Customer Load  
in Excess of 5.0 Kilowatts

Distribution Charge.....	\$7.806.09
Transmission Charge .....	\$2.68
Stranded Cost Recovery.....	\$0.59

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Energy Charges:

Per Kilowatt-Hour

Distribution Charges:

First 500 kilowatt-hours .....	<del>5.3765</del> 039¢
Next 1,000 kilowatt-hours .....	<del>1.3321</del> 249¢
All additional kilowatt-hours .....	<del>0.4720</del> 442¢

Transmission Charge

First 500 kilowatt-hours .....	0.964¢
Next 1,000 kilowatt-hours .....	0.363¢
All additional kilowatt-hours .....	0.195¢

Stranded Cost Recovery .....	0.850¢
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WATER HEATING - UNCONTROLLED

Uncontrolled water heating service is available under this rate when such service is supplied to approved water heaters equipped with either (a) two thermostatically-operated heating elements, each with a rating of no more than 5,500 watts, so connected or interlocked that they cannot operate simultaneously, or (b) a single thermostatically-operated heating element with a rating of no more than 5,500 watts. The heating elements or element shall be connected by means of an approved circuit to a separate water heating meter. Service measured by this meter will be billed monthly as follows:

Meter Charge .....	\$ <del>4.253</del> 15 per month
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Energy Charges:

Distribution Charge .....	<del>1.6251</del> 428¢ per kilowatt-hour
Transmission Charge .....	0.800¢ per kilowatt-hour
Stranded Cost Recovery .....	1.052¢ per kilowatt-hour

WATER HEATING - CONTROLLED

Controlled off-peak water heating is available under this rate for a limited period of time at those locations which were receiving controlled off-peak water heating service hereunder on Customer Choice Date and which have continuously received such service hereunder since that

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~~President and Chief Operating Officer~~

date. Service under this rate at such locations shall continue to be available only for the remaining life of the presently-installed water heating equipment. No replacement water heaters shall be permitted to be installed for service under this rate at locations which otherwise would qualify for this service.

For those locations which qualify under the preceding paragraph, controlled off-peak water heating service is available under this rate when such service is supplied to approved storage type electric water heaters having an off-peak heating element with a rating of no more than 1,000 watts, or 20 watts per gallon of tank capacity, whichever is greater. The off-peak element shall be connected by means of an approved circuit to a separate water heating meter equipped with a time switch which makes energy available for 17 hours each day. Electricity used will be billed monthly as follows:

Meter Charge.....\$7.50~~5.55~~ per month

Energy Charges:

Distribution Charge.....0.097~~0.085~~¢ per kilowatt-hour

Transmission Charge .....0.800¢ per kilowatt-hour

Stranded Cost Recovery.....0.652¢ per kilowatt-hour

SPACE HEATING SERVICE

Space heating service is available under this rate at those locations which were receiving space heating service under the Transitional Space Heating Service Rate TSH prior to Customer Choice Date and which have continuously received such service since that date. Customers at such locations who have elected this rate shall have the electricity for such service billed separately on a monthly basis as follows:

Meter Charge.....\$2.70~~2.01~~ per month

Energy Charges:

Distribution Charge.....2.63~~2.47~~¢ per kilowatt-hour

Transmission Charge .....0.964¢ per kilowatt-hour

Stranded Cost Recovery.....1.301¢ per kilowatt-hour

Space heating equipment served under this rate, including heat pumps and associated air circulating equipment, shall be wired by means of approved circuits to permit measurement of such equipment's additional demand and energy use.

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Customers taking space heating service under this rate at locations where the regular power and lighting service is delivered at primary voltage level or above shall be required to provide at the Customers' expense suitable transforming, controlling and regulating apparatus, acceptable to and approved by the Company, for the space heating service in the same manner as for the power and lighting service, so that deliveries of all electric service may be made by the Company at the same voltage level.

#### CUSTOMER'S LOAD

Customer's load is defined as the greatest rate of taking Delivery Service in kilowatts for any thirty (30) minute interval during the current monthly billing period.

Customer's load shall be measured whenever (a) such load is known or estimated to be 5.0 kilowatts or more, or (b) the Customer's use of service is 750 kilowatt-hours or more per month for three (3) consecutive months. However, any Customer's load may be measured at the Company's option. When measured, Customer's load shall be determined to the nearest one-tenth (0.1) kilowatt for billing purposes.

#### SERVICE CHARGE

When the Company establishes or re-establishes a Delivery Service account for a Customer at a meter location, the Company will be entitled to assess a service charge in addition to all other charges under this rate. The service charge will be \$14.00 if the Company does not have to send an employee to the meter location to establish or re-establish Delivery Service. When it is necessary for the Company to send an employee to the meter location to establish or re-establish Delivery Service, the service charge will be \$35.00. When it is necessary for the Company to send an employee to the meter location outside of normal working hours to establish or re-establish Delivery Service, the service charge will be \$70.00. The Company will be entitled to assess an \$18.00 service charge when it is necessary to send an employee to the Customer location to collect a delinquent bill. This charge shall apply regardless of any action taken by the Company including accepting a payment, making a deferred payment arrangement or leaving a collection notice at the Customer's premises.

Short-term, seasonal or transient Customers who take service at temporary locations shall pay for the cost of installing and removing the necessary poles, wires, transformers, cable and other equipment in addition to the foregoing service charge.

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000327

## GENERAL TIME-OF-DAY DELIVERY SERVICE RATE G-OTOD

### AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is for Delivery Service to Customers who utilize electric thermal storage devices and other applications approved by the Company. It is available to Customers whose loads as defined for billing purposes do not exceed 100 kilowatts. Service is available at the Customer's option to those Customers who have completed a written Application for Service and signed a Service Agreement, and who receive all of their Delivery Service requirements hereunder, except that outdoor area lighting is available under Outdoor Lighting Service Rate OL.

Customers taking service under this rate shall provide any necessary transforming and regulating devices on the Customer's side of the meter.

### LIMITATIONS ON AVAILABILITY

The availability of this rate to particular Customers is contingent upon the availability of time-of-use meters and personnel to administer the rate, all as determined by the Company.

Because the Company's distribution system and Customer service facilities have a limited electrical capacity, large and/or intermittent and irregular electrical loads can result in the overloading and damaging of said facilities and can adversely affect the quality of service to other Customers of the Company. Therefore, service under this rate shall not be available where, in the Company's judgment, sufficient distribution system capacity and Customer service facilities do not exist in order to supply the electrical requirements of the applicant unless the Service Agreement provides for a suitable cash payment or a satisfactory revenue guarantee to the Company, or both. Further, in the event that a Customer receiving service under this rate shall propose to materially increase the amount of Delivery Service required, the Customer shall give the Company prior written notice of this fact, thereby allowing the Company to ascertain whether sufficient distribution system capacity and Customer service facilities exist to serve the proposed increased requirement. Where the capacity or facilities do not exist, the Customer will not make the proposed increase until the Service Agreement shall be amended to provide for a suitable cash payment or a satisfactory revenue guarantee to the Company, or both.

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000328

## SERVICE AGREEMENT

The term of the Service Agreement shall be one year, and shall continue thereafter until canceled by one month's notice to the Company by the Customer. The Customer will not be permitted to change from this rate to any other rate until the Customer has taken service under this rate for at least twelve months. However, upon payment by the Customer of a suitable termination charge, the Company may, at its option, waive this provision where a substantial hardship to the Customer would otherwise result.

## CHARACTER OF SERVICE

Service supplied under this rate will be 60 hertz, alternating current, either (a) single-phase, normally three-wire at a nominal voltage of 120/240 volts or (b) three-phase, normally at a nominal voltage of 120/208 or 277/480 volts. Three-phase, three-wire service at a nominal voltage of 240, 480 or 600 volts is available only to those Customers at existing locations who were receiving such service on February 1, 1986, and who have continuously received such service since that date. In underground secondary network areas, service will be supplied only at a nominal voltage of 120/208 volts.

## RATE PER MONTH

### Single-Phase Service

### Three-Phase Service

Customer Charge ..... \$35.0026.09 per month      \$50.0037.23  
per month

### Customer's Load Charges:

### Per Kilowatt of Customer Load

Distribution Charge.....\$10.908.49  
Transmission Charge .....\$1.77  
Stranded Cost Recovery.....\$0.23

### Energy Charges:

### Per Kilowatt-Hour

### Distribution Charges:

On-Peak Hours (7:00 a.m. to 8:00 p.m.  
weekdays excluding Holidays).....3.7713.535¢

Off-Peak Hours (all other hours) .....0.5910.554¢

Stranded Cost Recovery.....0.678¢

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#### CUSTOMER'S LOAD

Customer's load is defined as the greatest rate of taking service in kilowatts for any thirty (30) minute interval during on-peak hours of the current monthly billing period. On-peak hours shall be the hours of 7:00 a.m. through 8:00 p.m. weekdays excluding Holidays as defined in this Tariff.

#### SERVICE CHARGE

When the Company establishes or re-establishes a Delivery Service account for a Customer at a meter location, the Company will be entitled to assess a service charge in addition to all other charges under this rate. The service charge will be \$14.00 if the Company does not have to send an employee to the meter location to establish or re-establish Delivery Service. When it is necessary for the Company to send an employee to the meter location to establish or re-establish Delivery Service, the service charge will be \$35.00. When it is necessary for the Company to send an employee to the meter location outside of normal working hours to establish or re-establish Delivery Service, the service charge will be \$70.00. The Company will be entitled to assess an \$18.00 service charge when it is necessary to send an employee to the Customer location to collect a delinquent bill. This charge shall apply regardless of any action taken by the Company including accepting a payment, making a deferred payment arrangement or leaving a collection notice at the Customer's premises.

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000330

## LOAD CONTROLLED DELIVERY SERVICE RATE LCS

### AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part and as provided hereinafter, the radio-controlled option of this rate is available for separately metered and controlled Delivery Service to electric thermal storage devices and to conventional electric space heating when a dynamic electric thermal storage system or a wood stove or coal stove is available for use as a backup during times when service is interrupted by the Company and other applications approved by the Company. Service under the 8-hour, 10-hour and 11-hour options is available only at those locations which were receiving service under one of these options under Load Controlled Service Rate LCS or Controlled Off-Peak Electric Water Heating Service Rate COPE on October 1, 2004 and which have continuously received such service since that date.

The availability of the radio-controlled option in conjunction with a wood stove or coal stove shall be limited to those premises which have electric space heating equipment as the sole source of space heating, excluding the wood stove or coal stove. Such wood stove or coal stove must be permanently installed and sized to adequately heat the main living area of the premises.

Service under this rate is available at the Customer's option to those Customers whose electric thermal storage or other equipment has been approved by the Company for load control as provided hereinafter. Such equipment must be connected to a separate circuit to which no other electrical load shall be connected.

Radio-Controlled Option - Delivery service will be subject to interruptions of up to eight (8) hours during each twenty-four (24) hour day between 7:00 a.m. and 11:00 p.m. Each interruption will not exceed four (4) hours and the time between two consecutive interruptions will be no less than two (2) hours.

8-Hour Option - Delivery Service will be available for eight (8) nighttime hours determined by the Company during each twenty-four (24) hour day.

10-Hour Option - Delivery Service will be available for eight (8) nighttime hours and two (2) shoulder hours as determined by the Company, during each twenty-four (24) hour day.

11-Hour Option - Delivery Service will be available for eleven (11) hours determined by the Company during each twenty-four (24) hour day.

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~~President and Chief Operating Officer~~

000331

This rate is intended as a rider applicable to Residential Delivery Service Rate R or General Delivery Service Rate G. Therefore, service under this rate must be taken in conjunction with service provided under either Rate R or Rate G in accordance with the terms and conditions therein as now or hereafter effective except as may be specifically provided otherwise in this rate.

#### LIMITATIONS ON AVAILABILITY

Service under this rate shall not be available where, in the Company's judgment, sufficient distribution system capacity does not exist in order to supply the electrical requirements of the applicant unless the Customer provides for a suitable cash payment or a satisfactory revenue guarantee to the Company, or both.

The availability of this rate is also contingent upon the availability to the Company of personnel and/or other resources necessary to provide service under this rate.

#### TERM

The term of service under this rate shall be one year, and shall continue thereafter until canceled by one month's notice to the Company by the Customer. The Customer will not be permitted to change from this rate to any other rate until the Customer has taken service under this rate for at least twelve months. However, upon payment by the Customer of a suitable termination charge, the Company may, at its option, waive this provision where a substantial hardship to the Customer would otherwise result.

#### RATE PER MONTH

##### Customer Charges:

Radio-Controlled Option .....	\$8.756.42 per month
8-Hour, 10-Hour or 11-Hour Option.....	\$7.505.55 per month

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Energy Charges:

Per Kilowatt-Hour

Distribution Charges:

Radio-Controlled Option or 8-Hour Option .....0.0970.085¢

10-Hour or 11-Hour Option .....1.9581.721¢

Transmission Charge .....0.800¢

Stranded Cost Recovery .....0.652¢

METERS

Under this rate, the Company will install one meter with appropriate load control devices.

ELECTRIC THERMAL STORAGE EQUIPMENT APPROVED FOR LOAD CONTROL

Load Controlled Service is available under this rate to electric thermal storage installations meeting the Company's specifications as to type, size and electrical characteristics in accordance with the following guidelines.

I. Electric Thermal Storage Space Heating Equipment

Adequate control and switching equipment must be installed to provide capability for staggering the commencement of the charging period with respect to other electric thermal storage devices and for permitting partial charging on warmer days, and for controlling service to the thermal storage devices.

The storage capability of the electric thermal storage device must be adequate to heat the Customer's whole premises under design conditions and must be properly sized to ensure a constant rate of charging during the period which service under this rate is available as determined by the Company in accordance with its customary procedures. A smaller-sized electric thermal storage device may be approved by the Company for use in the Customer's premises under the Radio-Controlled Option.

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## II. Electric Thermal Storage Water Heating

Load Controlled Service for electric thermal storage water heating is available under this rate when service is taken in conjunction with electric thermal storage space heating and at those locations which were receiving service under the Controlled Off-Peak Electric Water Heating Service Rate COPE on October 1, 2004 and which have continuously received such service since that date.

Service shall be supplied to electric thermal storage water heaters having either (i) two thermostatically-operated top and bottom heating elements, each with a rating of no more than 4,500 watts or forty (40) watts per gallon of storage capacity, whichever is greater, or (ii) a single thermostatically-operated heating element with a rating of 4,500 watts or forty (40) watts per gallon of storage capacity, whichever is greater. When there are two elements, both top and bottom elements must be connected and wired for Load Controlled Service, and must be connected or interlocked so that they cannot operate simultaneously.

The storage capacity of all electric thermal water heaters installed under the Radio-Controlled Option shall be forty (40) gallons or more. The storage capacity of all electric thermal water heaters installed under the 8-Hour, 10-Hour and 11-Hour Options shall be eighty (80) gallons or more. At the Company's option, smaller tanks may be installed for use in an individual apartment of a multi-family building under the 8-Hour, 10-Hour and 11-Hour Options.

## INCREASED WATER HEATING CAPABILITY

Electric thermal storage water heating with switching capabilities for increasing the capability of the Customer's water heating equipment is available under this rate at those locations which had switching capability installed on or before January 1, 1994 and which have continuously received such service since that date. The element or elements must be connected and wired such that increased water heating capability is provided under Rate R or Rate G. Customers with installed switching capability will be billed an additional \$1,250.87 per month as a Customer charge. Switching capability is not available under the Radio-Controlled Option.

## FEE FOR EMERGENCY CHARGING

If, due to an electrical outage or equipment malfunction, emergency charging of electric thermal storage devices is required at any time during which Delivery Service under this rate is not normally available, the Company will perform such charging upon sufficient notification. If charging is necessitated as a result of a malfunction of the Customer's equipment, the Company may assess the Customer a fee for such charging.

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PRIMARY GENERAL DELIVERY SERVICE RATE GV

AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is for high voltage Delivery Service. It is available upon the signing of a Service Agreement for such service at specified delivery points to Customers whose maximum demand shall not exceed 1,000 kilowatts. Service rendered hereunder shall exclude backup and standby service provided under Backup Delivery Service Rate B. Outdoor area lighting is available under Outdoor Lighting Delivery Service Rate OL.

Suitable transforming, controlling and regulating apparatus, acceptable to and approved by the Company, shall be provided at the expense of the Customer. In locations in which space limitations or other factors make it impossible or inadvisable, in the opinion of the Company, for the Customer to have transforming apparatus devoted to its exclusive use, and in secondary network areas in which primary service is not made available by the Company at its option, Delivery Service shall be supplied from Company-owned transforming apparatus which also supplies other Customers. In such cases, this rate is available provided the Customer pays an annual rental charge equal to eighteen percent (18.0%) of the cost of the equivalent transformer capacity the Customer would furnish or rent to serve the load if exclusive use of a transformer bank by him were possible or if primary, three-phase service were available and provided the Customer pays in full the estimated cost of installing such equivalent transformer capacity at the time Delivery Service is initiated.

CHARACTER OF SERVICE

Delivery Service supplied under this rate will be three-phase, 60 hertz, alternating current, at a nominal voltage determined by the Company, generally 2,400/4,160, 4,800/8,320, 7,200/12,470, or 19,920/34,500 volts. A reasonably balanced load between phases shall be maintained by the Customer.

RATE PER MONTH

Customer Charge .....\$180.00+35.54 per month

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Demand Charges:

Per Kilowatt of Maximum Demand

Distribution Charges:

First 100 kilowatts.....\$4.803.75

Excess Over 100 kilowatts.....\$4.453.45

Transmission Charge .....\$3.58

Stranded Cost Recovery.....\$0.56

Energy Charges:

Per Kilowatt-Hour

Distribution Charges:

First 200,000 kilowatt-hours.....0.6510.610¢

All additional kilowatt-hours .....0.5400.506¢

Stranded Cost Recovery.....0.815¢

SPACE HEATING SERVICE

Space heating service is available under this rate at those locations which were receiving space heating service under the space heating provisions of Transitional Space Heating Service Rate TSH prior to Customer Choice Date and which have continuously received such service since that date. Customers at such locations who have elected this rate shall have the electricity for such service billed separately on a monthly basis as follows:

Meter Charge .....\$2.702.01 per month

Energy Charges:

Distribution Charge.....2.6362.471¢ per kilowatt-hour

Transmission Charge .....0.964¢ per kilowatt-hour

Stranded Cost Recovery.....1.301¢ per kilowatt-hour

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Space heating equipment served under this rate, including heat pumps and associated air circulating equipment, shall be wired by means of approved circuits to permit measurement of such equipment's additional demand and energy use.

Customers taking space heating service under this rate at locations where the regular power and lighting service is delivered at primary voltage level or above shall be required to provide at the Customers' expense suitable transforming, controlling and regulating apparatus, acceptable to and approved by the Company, for the space heating service in the same manner as for the power and lighting service, so that deliveries of all electric service may be made by the Company at the same voltage level.

#### PRIMARY METERING LOSS ADJUSTMENT

When at the Company's option Delivery Service is metered at delivery voltage (2,400 volts nominal and above), all demand and energy meter readings shall be reduced by one and three-quarters percent (1.75%). Where feasible and at the Company's option, a value other than one and three-quarters percent (1.75%) may be used when specific data is available and this value is a more accurate representation of electrical losses.

#### MAXIMUM DEMAND

The kilowatt (KW) demand and, at the Company's option, the kilovolt-ampere (KVA) demand during each thirty-minute interval of the current monthly billing period shall be determined by measurement. Maximum demand shall be determined to the nearest whole (1.0) kilowatt (KW) or kilovolt-ampere (KVA) for billing purposes and shall be defined as the greater of:

- (1) the highest kilowatt (KW) demand registered during the on-peak hours of said period or if kilovolt-ampere (KVA) demand is measured, the greater of (a) the highest kilowatt (KW) demand during said period or, (b) 80 percent of the highest kilovolt-ampere (KVA) demand measured of said period or,
- (2) fifty percent (50%) of the maximum demand, as defined above, occurring during off-peak hours.

#### OFF-PEAK PERIODS

The off-peak period shall be the period including the hours after 8:00 p.m. and before 7:00 a.m. Monday through Friday, and the entire day on Saturdays, Sundays, and Holidays as defined in this Tariff. The on-peak period shall be all hours not included in the off-peak period.

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000337



## CONTRACT TERM

The contract term shall be for not less than one year and for such longer periods as maybe determined by the operation of the sections in this rate entitled "Guarantees" and "Apparatus".

## GUARANTEES

- (a) When the estimated expenditure necessary to deliver electrical energy properly to a Customer's premises shall be of such an amount that the income to be derived from the delivery of such energy at the rate herein established, including the monthly minimum charge, will be insufficient to warrant such expenditure, the Company may require the Customer to guarantee a minimum annual payment for a term of years and/or to pay the whole or a part of the cost of extending, enlarging, or rebuilding its facilities to supply the Customer's premises or other reasonable payments in addition to the payments otherwise provided herein.
- (b) Except as provided by the Terms and Conditions and as modified by the provisions of Paragraph (a) of this section, and exclusive of any charges made under the provisions of the section in this rate entitled "Apparatus" and if applicable, for Default Energy Service, the minimum charge shall be \$624830 per month.

## APPARATUS

Substation foundations, structures, and all necessary controlling, regulating, and transforming apparatus shall be furnished, owned, and maintained by the Customer at the Customer's expense. However, controlling, regulating, and transforming apparatus may be rented from the Company at a charge of eighteen percent (18.0%) per year of the equipment cost. The cost of installing such equipment shall be paid in full at the time service is initiated. In no event shall the Company be required to rent apparatus to the Customer the total cost of which shall exceed \$10,000 or to rent pole-mounted apparatus. In the event a Customer-owned structure supporting a Company owned pole-mounted transformer is deemed insufficient or threatened by trees or other hazards, the Company reserves the right to terminate the existing rental agreement and to remove the transformer upon 90 days written notice to the Customer. In cases where the Customer elects to rent apparatus from the Company, the Customer shall guarantee, in addition to any other guarantees, to continue to pay rental therefor for a period of not less than four (4) years. Should the Customer discontinue service before four (4) years shall have elapsed, the guaranteed rental then unpaid shall immediately become due and payable.

## METERING

The Company may install one or more meters at its option. Metering shall be located on the low voltage side of the Customer's transforming apparatus provided, however, that metering may be at delivery voltage at the option of the Company.

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## LARGE GENERAL DELIVERY SERVICE RATE LG

### AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is for high voltage Delivery Service. It is available upon the signing of a Service Agreement for such service at specified delivery points to Customers whose loads are larger than those that would be permitted under Rate GV of this Tariff. Service rendered hereunder shall exclude all backup and standby service provided under Backup Delivery Service Rate B. Outdoor area lighting is available under Outdoor Lighting Delivery Service Rate OL. Substation foundations and structures, and suitable controlling, regulating, and transforming apparatus, all of which shall be acceptable to and approved by the Company, together with such protective equipment as the Company shall deem necessary for the protection and safe operation of its system, shall be provided at the expense of the Customer.

### CHARACTER OF SERVICE

Delivery Service supplied under this rate will be three-phase, 60 hertz, alternating current, at a nominal delivery voltage determined by the Company, generally 34,500 volts or higher. A reasonably balanced load between phases shall be maintained by the Customer.

### RATE PER MONTH

Customer Charge ..... \$550.00411.86 per month

#### Demand Charges:

Per Kilovolt-Ampere of Maximum Demand

Distribution Charge..... \$4.253.32

Transmission Charge ..... \$3.52

Stranded Cost Recovery..... \$0.53

#### Energy Charges:

Per Kilowatt-Hour

#### Distribution Charges:

On-Peak Hours.....0.3750.365¢

Off-Peak Hours.....0.3150.307¢

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~~President and Chief Operating Officer~~

Energy Charges (Continued...)

Per Kilowatt-Hour

Stranded Cost Recovery:

On-Peak Hours ..... 0.878¢

Off-Peak Hours ..... 0.696¢

MAXIMUM DEMAND

The kilovolt-ampere (KVA) demand during each thirty-minute interval of the current monthly billing period shall be determined by measurement. Maximum demand shall be determined for billing purposes to the nearest whole (1.0) kilovolt-ampere and shall be defined as the greater of:

- (1) the highest kilovolt-ampere demand registered during the on-peak hours of said period, or
- (2) fifty percent (50%) of the highest kilovolt-ampere demand registered during the off-peak hours of said period, except that for any portion of the Customer's highest off-peak kilovolt-ampere demand in excess of 30,000 kilovolt-amperes the multiplier applicable to the amount of such demand within each successive 10,000 kilovolt-ampere block of such excess portion shall be increased from fifty percent (50%) by successive ten percent (10%) increments, up to a maximum multiplier of one hundred percent (100%) for that portion of demand in excess of 70,000 kilovolt amperes, or
- (3) eighty percent (80%) of the amount by which the greatest amount defined in (1) and (2) above during the eleven (11) preceding months exceeds 1,000 kilovolt-amperes.

OFF-PEAK PERIOD

The off-peak period shall be the period including the hours after 8:00 p.m. and before 7:00 a.m., Monday through Friday, and the entire day on Saturdays, Sundays, and Holidays. The on-peak period shall be all hours not included in the off-peak period.

CONTRACT TERM

The contract term shall be for not less than one year and for such longer periods as maybe determined by the operation of the sections in this rate entitled "Guarantees" and "Apparatus".

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#### DISCOUNT FOR SERVICE AT 115,000 VOLTS

A monthly discount of ~~thirty-one~~ forty cents (\$~~0.31~~0.40) per kilovolt-ampere (KVA) of maximum demand shall be given to Customers who contract to take service under this rate at a delivery voltage of 115,000 volts and to pay charges based on a monthly maximum demand of at least 10,000 kilovolt-amperes. Except as provided in the last sentence of this paragraph, this discount is available only at specified delivery points on the 115,000 volt transmission system of the Company as it exists from time to time where, in the opinion of the Company, there is sufficient capacity in facilities to supply the Customer's requirement and where system integrity and operating flexibility will not be impaired by the addition of the Customer's load. The discount is available also at other delivery points, provided the Customer satisfies the Company's requirements determined under Paragraph (a) of the section of this rate entitled "Guarantees".

In the event that any Customer qualifying for and receiving the discount provided in this section shall require a substantially larger or substantially smaller amount of capacity, the Customer shall so notify the Company in writing at least two (2) years prior to the date when such larger or smaller amount shall be required.

#### GUARANTEES

- (a) When the estimated expenditure necessary to deliver electrical energy properly to a Customer's premises shall be of such an amount that the income to be derived from the delivery of such energy at the rate herein established, including the monthly minimum charge, will be insufficient to warrant such expenditure, the Company may require the Customer to guarantee a minimum annual payment for a term of years and/or to pay the whole or a part of the cost of extending, enlarging, or rebuilding its facilities to deliver electrical energy properly to the Customer's point of delivery or other reasonable payments in addition to the payments otherwise provided herein.
- (b) Except as provided by the Terms and Conditions and as modified by the provisions of Paragraph (a) of this section, and exclusive of any charges made under the provisions of the section in this rate entitled "Apparatus" and if applicable, for Default Energy Service, the minimum monthly charge shall be \$~~643~~860 per month.

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## APPARATUS

Substation foundations, structures, and all necessary controlling, regulating, transforming, and protective apparatus shall be furnished, owned, and maintained by the Customer at the Customer's expense. However, controlling, regulating, and transforming apparatus may be rented from the Company at a charge of eighteen percent (18.0%) per year of the equipment cost. The cost of installing such equipment shall be paid in full at the time service is initiated. In no event shall the Company be required to rent apparatus to the Customer the total cost of which shall exceed \$10,000 or to rent pole-mounted apparatus. In the event a Customer-owned structure supporting a Company owned pole-mounted transformer is deemed insufficient or threatened by trees or other hazards, the Company reserves the right to terminate the existing rental agreement and to remove the transformer upon 90 days written notice to the Customer. In cases where the Customer elects to rent apparatus from the Company, the Customer shall guarantee, in addition to any other guarantees, to continue to pay rental therefor for a period of not less than four (4) years. Should the Customer discontinue service before four (4) years shall have elapsed, the guaranteed rental then unpaid shall immediately become due and payable.

## METERING

The Company may install one or more meters at its option. Metering shall be at delivery voltage, provided, however, that metering may be at a lower voltage at the option of the Company, in which case the maximum demand and kilowatt-hour energy use shall include the losses imposed by transformers between the delivery and metering points. In the latter case, the Company may at its option correct for the transformer losses by compensated metering or estimate such losses by another suitable method.

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000342

## BACKUP DELIVERY SERVICE RATE B

### AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is for backup and maintenance Delivery Service provided by the Company in conjunction with electricity produced by generation facilities located on the Customer's side of the meter which supplies all or a portion of the Customer's electric load requirements on a regular basis. Service under this rate is mandatory for Customers who take Conjunctional Service as specified in the Terms and Conditions for Delivery Service, and who, except for their own generation, would otherwise qualify for service under either Rate GV or Rate LG. This rate is not mandatory for service to Customers whose generating equipment is installed for the purpose of providing a backup or emergency supply during service outages on the Company's system, nor is it mandatory for Customers whose generation was installed prior to and has not been rebuilt since January 1, 1985. Customers taking service under this rate shall be required to execute a Service Agreement for such service which shall be available only at the delivery point specified therein.

Any Customer taking service under this rate shall be subject to the provisions of:  
a) Conjunctional Delivery Service under the Terms and Conditions for Delivery Service, and b) the applicable Delivery Service rate under which the Customer would otherwise take service from the Company if the Company delivered all the Customer's electricity requirements, except as such provisions may be modified by, or conflict with, the terms of this Rate Schedule.

The delivery of any electricity generated by the Customer in excess of the Customer's total electric load requirements and made available for sale to the Company or other entity shall be governed by the terms of a separate agreement.

### DEFINITIONS

Standard Rate: The standard Delivery Service rate, either Primary General Delivery Service Rate GV or Large General Delivery Service Rate LG, under which the Customer would otherwise take service if the Company delivered all the Customer's electricity requirements.

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000343

Backup Contract Demand: An amount of demand which the Customer may impose on the Company's distribution system under this Rate Schedule to back up the Customer's generating facilities. Backup Contract Demand shall be the normal output rating in kilowatts of the Customer's generating facilities as determined by the Company from time to time by test operation for those Customers who have a non-zero Supplemental Demand (i.e., whose maximum demand exceeds their generating capacity). For Customers whose generating capacity is larger than their total internal load, Backup Contract Demand shall be based on thirty minute meter readings for on-peak periods during the current month and previous eleven months. For Customers who would otherwise be served under Rate GV, Backup Contract Demand shall be the greater of: a) the highest kilowatt demand during those periods, or b) 80% of the highest kilovolt-ampere demand during those periods. For Customers who would otherwise be served under Rate LG, Backup Contract Demand shall be the highest kilovolt-ampere demand during those periods.

Backup Demand: The amount of demand in kilowatts delivered to the Customer under this Rate Schedule during a particular thirty minute interval. Backup Demand shall be the lesser of: a) Backup Contract Demand minus the amount of generation registered by the generation meter, or b) the total amount of demand registered. If such amount is less than zero, it shall be deemed to be equal to zero.

Backup Energy: The amount of kilowatt-hours delivered to the Customer under this Rate Schedule during a particular thirty minute interval. Backup Energy shall be equal to Backup Demand for that thirty minute interval divided by two.

On-Peak Hours: The period from 7:00 a.m. to 8:00 p.m. weekdays excluding holidays.

Supplemental Demand: The amount of demand in kilowatts delivered to the Customer by the Company in excess of its Backup Demand during a particular thirty minute interval. Supplemental Demand shall be equal to the total amount of demand registered less the amount of Backup Demand taken. If such amount is less than zero, it shall be deemed to be equal to zero. The delivery of Supplemental Demand and related energy shall be billed under the Company's standard rate (Rate G, Rate GV, or Rate LG) available to the Customer for the amount of Supplemental Demand taken.

#### RATE PER MONTH

Administrative Charge.....\$~~310.00~~232.24 per month

Translation Charge.....\$~~52.00~~38.69 per recorder per month

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Demand Charges:

For Customers who take service at 115,000 volts or higher, the following charges apply:

Transmission Charge .....\$0.25 per KW or KVA, whichever is applicable,  
of Backup Contract Demand

Stranded Cost Recovery.....\$0.11 per KW or KVA, whichever is applicable,  
of Backup Contract Demand

For all other Customers, in addition to the charges applicable to the Customers who take service at 115,000 volts or higher, the following additional charge applies:

Distribution Charge.....\$4.003-12 per KW or KVA, whichever is applicable,  
of Backup Contract Demand

Energy Charges:

The energy charges contained in the Standard Rate for Delivery Service, except that the distribution charge is not applicable to Customers who take service at 115,000 volts or higher.

METERING

Metering shall be provided by the Company in accordance with the provisions of the Customer's Standard Rate, except as modifications to such metering may be required by the provisions of this rate. The Company may install any metering equipment necessary to accomplish the purposes of this rate, including the measurement of output from the Customer's generating facilities. Customer shall provide suitable meter locations for the Company's metering facilities. All costs of metering equipment in excess of costs normally incurred by the Company to provide service under Customer's Standard Rate shall be borne by the Customer.

REFUSAL TO PROVIDE ACCESS

In the event that the Customer refuses access to its premises to allow the Company to install metering equipment to measure the output of the Customer's generating facilities, the Company may estimate the amount of demand and energy delivered under this rate. The Customer shall be responsible for payment of all bill amounts calculated hereunder based on such estimates of demand and energy delivered.

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## CONTRACT TERM

The contract term shall be for not less than one year and for such longer periods as may be determined by the operation of the sections of Customer's Standard Rate entitled "Guarantees" and "Apparatus".

## SPECIAL PROVISIONS

1. Notwithstanding the general provisions of this rate schedule, the Company may include such other provisions in Customer's Service Agreement, executed pursuant to this Rate B, as may be necessary to reflect the specific circumstances of such Customer, the operating characteristics of Customer's generating equipment or any other particular facts, without limitation, which are necessary, in the Company's sole judgment and subject to Commission approval, to give effect to the purpose and intent of this rate.
2. The Customer's failure to execute a Service Agreement pursuant to the terms of this Rate B shall not preclude the application of this rate to any partial requirements service provided by the Company to the Customer.

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000346

SAWMILL RETENTION DELIVERY SERVICE RATE SR

AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is available for Delivery Service to Sawmill Customers as defined herein who have a Service Agreement in effect on July 1, 2007 and who have continuously received service under this rate since that date. Service under this rate will be available only through the remaining term of the Customer's existing Service Agreement and must be taken in conjunction with service under either General Delivery Service Rate G, Primary General Delivery Service Rate GV or Large General Delivery Service Rate LG and in accordance with the terms and conditions therein as now or hereafter effective except as specifically provided otherwise in this rate. Service hereunder is available only to those Customers whose primary or secondary three-digit Standard Industrial Classification Code is 242. Service hereunder is available to those Customers who, in the Company's determination, could have installed and utilized self-generation or cogeneration equipment as a viable and economic alternative to having the Company deliver all their electric requirements in the absence of receiving Delivery Service under this rate.

Service hereunder cannot be taken in conjunction with service under a Special Contract, except for Special Contracts for line extensions.

DEFINITIONS

Sawmill: A plant where wood is processed, typically where logs are machine-cut into lumber. A Sawmill can be all or a portion of the Customer's entire operation. For the purpose of eligibility under this rate, the Customer's primary business shall consist of wood products.

Standard Rate: The Tariff rate, either General Delivery Service Rate G, Primary General Delivery Service Rate GV or Large General Delivery Service Rate LG, under which the Customer is rendered Delivery Service.

ECONOMIC ANALYSIS OF CUSTOMER GENERATION

As a condition of service under this rate, the Company will analyze whether self-generation or cogeneration is a viable alternative to the Company delivering all or part of the Customer's electric requirements. The Customer may be required to provide information to the Company to perform such analysis to the extent that the Company lacks any information necessary to reach a conclusion on the economics of generation. The Customer must provide an affidavit to the Company attesting that no known permitting, zoning, environmental or financial barriers exist which will preclude the installation of generation by the Customer.

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Service under this rate is permitted if the Company's analysis shows an undiscounted, pre-tax payback of less than five years for the total cost of generation.

The Company will not disclose any information provided by the Customer without prior consent of the Customer or unless directed by the Commission or a court of competent jurisdiction.

#### DEMAND CHARGE DISCOUNT

The Customer will be billed for Delivery Service under the applicable Standard Rate. A percent discount equal to seventy-five (75%) of the total monthly demand charges specified under the Standard Rate will be applied to each monthly bill.

#### SERVICE AGREEMENT AND TERM

The Customer must sign a Service Agreement to receive service under this rate. Service shall be for a limited period beginning on the Effective Date specified in the Service Agreement and terminating after a five-year period.

#### DELIVERY OF ELECTRICITY

As part of the Service Agreement the Customer will agree to require Delivery Service from the Company for all its electricity requirements for a period of five (5) years from the Effective Date of the Service Agreement.

In the event the Customer displaces any of its purchases of electricity with an alternative source which does not require Delivery Service by the Company prior to the expiration of the Service Agreement, the Company reserves the right to immediately terminate the Service Agreement without notice. Upon termination of this service by the Company for a Customer's violation of this section, the Company may bill and the Customer is obligated to pay the difference between bill amounts that would have been rendered under the applicable Standard Rate absent this rate, and the bill amounts determined under the Standard Rate in conjunction with this rate beginning from the Effective Date of the Service Agreement until termination of the Service Agreement by the Company.

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Issued by: Paul E. Ramsey ~~Gary A. Long~~

Effective: ~~July 1, 2007~~ August 1, 2009

Title: Vice President – Energy Delivery  
President and Chief Operating Officer

000348

OUTDOOR LIGHTING DELIVERY SERVICE RATE OL

AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is for the following applications:

- (a) unmetered street and highway lighting provided to municipalities, state highway departments, and other governmental bodies;
- (b) unmetered outdoor area lighting for private yards, parking lots, private roads, and other off-street applications.

~~Only a~~ All-night outdoor lighting service on an annual basis shall be provided under this rate, totaling approximately 4,345 hours of operation per year and midnight outdoor lighting service on an annual basis totaling approximately 2,005 hours of operation per year shall be provided for under this rate.

RATE PER MONTH

Energy Charge:

Per Kilowatt-Hour

Transmission Charge ..... 0.708¢

Stranded Cost Recovery..... 1.001¢

In addition to the energy charges above, Customers shall be assessed a monthly Distribution Rate per luminaire. The Distribution Rate includes, among other costs, the cost of the fixture and bracket. The energy charge shall be applied to the monthly kilowatt-hours specified below for the applicable fixture and service option. For outdoor lighting charges which are billed in conjunction with service rendered under a metered Rate Schedule, the kilowatt-hours used for billing purposes shall be the amount specified for the calendar month in which the meter read date occurred for service rendered under the metered Rate Schedule.

Issued: January 6, 2009 June 30, 2009

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Gary A. Long

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President and Chief Operating Officer

All-Night Service Option:

The monthly kilowatt-hours and distribution rates for each luminaire served under the all-night service option are shown below.

FOR NEW AND EXISTING INSTALLATIONS For New and Existing Installations:

Lamp Nominal		Monthly KWH per Luminaire												Monthly
Light	Power													Distribution
Output	Rating													
Lumens	Watts	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Rate
High Pressure Sodium:														
4,000	50	27	23	22	19	16	16	16	18	21	23	24	27	\$11.1013.43
5,800	70	40	34	32	29	24	23	24	27	31	35	37	40	11.1013.43
9,500	100	59	50	47	42	35	34	35	39	46	51	53	59	14.7617.85
16,000	150	88	74	70	62	53	51	53	59	68	76	79	88	20.8825.25
30,000	250	142	120	113	101	85	82	85	95	110	123	128	142	21.3925.87
50,000	400	217	183	173	154	130	126	130	144	168	188	196	217	21.6326.16
130,000	1,000	510	430	408	362	306	296	306	340	395	442	460	510	34.7241.99

Metal Halide:

5,000	70	41	35	33	29	25	24	25	28	32	36	37	41	\$11.5914.02
8,000	100	56	47	45	40	34	33	34	38	44	49	51	56	15.8519.17
13,000	150	88	74	71	63	53	51	53	59	68	77	80	88	21.7626.32
13,500	175	96	81	77	68	57	56	57	64	74	83	87	96	22.2226.88
20,000	250	134	113	107	95	80	78	80	89	104	116	121	134	22.2226.88
36,000	400	209	176	167	149	126	122	126	140	162	181	189	209	22.4227.12
100,000	1,000	502	423	402	356	301	292	301	335	389	435	454	502	33.5940.63

FOR EXISTING INSTALLATIONS ONLY For Existing Installations Only:

<u>Lamp Nominal</u>		<u>Monthly KWH per Luminaire</u>												<u>Monthly</u>
<u>Light</u>	<u>Power</u>													<u>Distribution</u>
<u>Output</u>	<u>Rating</u>													
<u>Lumens</u>	<u>Watts</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Rate</u>
Incandescent:														
600	105	49	41	39	35	29	28	29	33	38	42	44	49	\$6.407.74
1,000	105	49	41	39	35	29	28	29	33	38	42	44	49	7.148.64
2,500	205	95	80	76	68	57	55	57	64	74	83	86	95	9.1611.08
6,000	448	208	176	167	148	125	121	125	139	161	181	188	208	15.7219.01

Mercury:

3,500	100	54	46	44	39	33	32	33	36	42	47	49	54	\$9.8011.85
7,000	175	95	80	76	68	57	55	57	64	74	83	86	95	11.7714.24
11,000	250	136	114	109	96	81	79	81	91	105	118	123	136	14.5717.62
15,000	400	211	178	169	149	126	122	126	140	163	183	190	211	16.6720.16
20,000	400	211	178	169	149	126	122	126	140	163	183	190	211	17.9821.75
56,000	1,000	503	424	403	357	302	292	302	335	390	436	454	503	28.5834.57

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Gary A. Long

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President and Chief Operating Officer

<u>Lamp Nominal</u>		<u>Monthly KWH per Luminaire</u>												<u>Monthly</u>
<u>Light</u>	<u>Power</u>													<u>Distribution</u>
<u>Output</u>	<u>Rating</u>													
<u>Lumens</u>	<u>Watts</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Rate</u>
Fluorescent:														
20,000	330	153	129	123	109	92	89	92	102	119	133	139	153	\$24.3829.49
High Pressure Sodium in Existing Mercury Luminaires:														
12,000	150	84	71	67	59	50	49	50	56	65	73	76	84	15.2618.46
34,200	360	192	162	154	136	115	112	115	128	149	166	173	192	19.5323.62

The 15,000 Lumen Mercury fixture is fitted with a 20,000 lumen lamp. The 600 Lumen Incandescent fixture is fitted with a 1,000 lumen lamp.

Midnight Service Option:

The monthly kilowatt-hours and distribution rates for each luminaire served under the midnight service option are shown below.

Lamp Nominal														Monthly Distribution Rate
Light	Power													
Output	Rating	Monthly KWH per Luminaire												
Lumens	Watts	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
High Pressure Sodium:														
4,000	50	14	11	9	10	7	6	6	7	9	11	13	14	\$13.43
5,800	70	20	16	13	15	11	9	9	11	13	16	20	21	13.43
9,500	100	30	23	20	21	16	13	14	16	19	24	28	31	17.85
16,000	150	44	34	29	31	24	20	21	24	28	35	42	47	25.25
30,000	250	71	56	47	51	38	32	33	38	46	57	69	76	25.87
50,000	400	109	85	72	77	58	49	51	58	70	87	105	116	26.16
130,000	1,000	255	200	170	181	136	115	119	136	165	204	246	272	41.99
Metal Halide:														
5,000	70	20	16	14	15	11	9	10	11	13	17	20	22	\$14.02
8,000	100	28	22	19	20	15	13	13	15	18	23	27	30	19.17
13,000	150	44	34	30	31	24	20	21	24	28	36	43	47	26.32
13,500	175	48	38	32	34	25	22	22	26	31	38	47	51	26.88
20,000	250	67	52	45	48	36	30	31	36	43	54	65	71	26.88
36,000	400	104	82	70	74	56	47	49	56	68	84	101	111	27.12
100,000	1,000	251	196	167	178	134	114	117	134	162	201	243	268	40.63

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President and Chief Operating Officer

000351

MODIFICATION OF SERVICE OPTION

Municipal and state roadway lighting Customers may request a modification of service from the all-night service option to the midnight service option during the calendar months of January and February of each year, otherwise known as the open enrollment period. Requests received from municipal and state roadway lighting Customers after the open enrollment period shall be implemented during the subsequent open enrollment period, unless the Company determines that it is feasible and practicable to implement the request prior to the subsequent enrollment period. All other Customers may request a modification of service from the all-night service option to the midnight service option at any time. Customers requesting a modification of service from the all-night service option to the midnight service option are responsible to pay to the Company the installed cost of any additional equipment required to provide service under the midnight service option. The installed cost includes the cost of the additional equipment, labor, vehicles and overheads. The Customer is responsible to pay such costs prior to the installation of the equipment. If such a request is made concurrent with the Company's existing schedule for lamp replacement and maintenance, the Customer is responsible to pay to the Company the cost of any additional equipment required, including overheads. The Customer is responsible to pay such costs prior to the installation of the equipment.

Customers requesting a modification of service from the midnight service option to the all-night service option are responsible to pay to the Company the installation cost of the equipment required to provide service under the all-night service option. The installation cost includes the cost of labor, vehicles and overheads. The Customer is responsible to pay such costs prior to the installation of the equipment. If such a request is made concurrent with the Company's existing schedule for lamp replacement and maintenance, no additional costs are required to modify service from the midnight service option to the all-night service option.

The Company will utilize fixed price estimates per luminaire for the installed cost, the additional equipment cost and the equipment installation cost and will update the fixed price estimates per luminaire each year based upon current costs. In the event traffic control is required during a modification of service option or for equipment repair, the Customer is responsible to coordinate and to provide traffic control and to pay all costs associated with traffic control. In the event the Customer is a residential or General Delivery Service Rate G Customer, the Company may coordinate and provide traffic control on the Customer's behalf and the Customer shall reimburse the Company for all costs associated with the traffic control provided by the Company. The scheduling of work associated with the modification of a service option will be made at the Company's discretion with consideration given to minimizing travel and set-up time.

LEAP YEAR ADJUSTMENT TO ENERGY

During any leap year, the energy (kilowatt-hour) usage during the month of February for all fixtures shall be increased by 3.6 percent for the purpose of determining total energy charges under this rate.

CONTRACT TERM

The contract term for outdoor area lighting shall be for not less than one year.

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President and Chief Operating Officer

## MAINTENANCE

The Company shall exercise reasonable diligence to insure that all street and highway lamps are burning and shall make replacements promptly when notified of outages. Lamp replacement, maintenance and cleaning of street and highway lighting fixtures will normally be performed on a periodic basis in accordance with generally accepted utility practices and consistent with any manufacturer's recommendations. Lamp replacement and maintenance of outdoor area lighting will be performed as soon as possible following notification by the Customer of the need for such service, but the Company shall not be required to perform any such replacement or maintenance except during regular working hours.

## NEW INSTALLATIONS, EXTENSIONS AND REPLACEMENTS

New installations, extensions and replacements using overhead wiring, a standard fixture, an all-night service option photocell and located upon existing poles of the Company, shall be made at the expense of the Company.

Except for the excess costs of underground facilities to be apportioned as set forth in the provisions for underground electric distribution facilities specified in the Company's "Requirements for Electric Service Connections", any costs incurred in connection with new installations, extensions and replacements which exceed the costs of a standard outdoor lighting fixture equipped with an all-night service option photocell located on existing poles with overhead wiring shall be borne by the Customer. Such excess costs shall be paid as a lump sum prior to the installation of the equipment. ~~at the time the installation is made, or, in the case of service furnished to governmental units and civic groups, such excess costs, together with interest at the Prime Rate reported in The Wall Street Journal in effect on the date the installation is made, may be paid in equal monthly installments over a period not to exceed sixty (60) months. However, if such excess costs are greater than \$10,000, the Company may require payment in a lump sum.~~

In the case of new installations, extensions and replacements which make use of underground conductors for supply and distribution and/or of standards or poles employed exclusively for lighting purposes, the Company reserves the right to require the Customer to furnish, own, and maintain such underground supply and distribution facilities and/or the standards or poles.

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000353



If the Company's right under the preceding paragraph is exercised and the Company thereby is relieved of the cost of installing the customary overhead wires and appurtenances and the customary dual purpose poles, the Company shall:

1. pay to the Customer the sum of the following:
  - a. the estimated saving in investment to the Company represented by the estimated cost of the customary overhead wires and appurtenances;
  - b. such portion, if any, of the estimated cost to the Company of the customary dual purpose poles as would normally be allocated to lighting purposes;
2. have the right, without payment of any charge, to attach its wires, fixtures, brackets, luminaires, transformers, and other equipment to the standards or poles owned by the Customer.

Should the standards or poles furnished, owned, and maintained by the Customer be located in a public highway, the Customer shall procure and furnish to the Company a license under the Public Laws of New Hampshire (R.S.A. Chapter 231) covering such interest as the Company may have in the standards or poles, including their wires, fixtures, brackets, luminaires, transformers, and other equipment.

For outdoor area lighting installations, the Customer shall provide without expense or cost to the Company, all permits, consents, or easements necessary for the erection, maintenance, and operation of the Company's facilities, including the right to cut and trim trees and bushes wherever necessary; and the Company shall not be required to move its facilities to another location on the Customer's premises unless the Customer shall bear the cost thereof. The Company reserves the right to restrict such installations under this rate to those which will yield a reasonable return to the Company and to areas which are easily accessible by service truck. Installations of 4,000 lumen (50 watt) high pressure sodium luminaires will not be allowed as replacements of existing 3,500 lumen (100 watt) mercury luminaires unless the Customer agrees to pay for the remaining unexpired life of the retired equipment, including the unexpired portion of the cost of installation and the cost of removal less any salvage value of the equipment removed.

The total number of new installations, extensions, and replacements for outdoor lighting equipment may be limited by the Company in any calendar year to three (3) percent of the total number of units billed to the particular Customers at the beginning of such calendar year.

In cases where the Customer requests a change in or removal of existing outdoor lighting equipment which has not reached the end of its normal useful life, the Company may require the Customer to pay for the remaining unexpired life of the retired equipment, including the unexpired portion of the cost of installation and the cost of removal less any salvage value of the equipment removed.

All poles, wires, fixtures, brackets, luminaires, transformers, and other equipment furnished by the Company shall be maintained by it and title to such shall in all cases remain vested in the Company.

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~~President and Chief Operating Officer~~

000354

ENERGY EFFICIENT OUTDOOR LIGHTING  
DELIVERY SERVICE RATE EOL

AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this unmetered rate is available to any federal, state, county, municipal or other governmental unit, or department or agency of the government. Service under this rate is for delivery and maintenance of street and area lighting service provided to Customers utilizing luminaires and brackets for which the Customer has contributed to the Company: (a) the installed cost for all new luminaires and brackets placed into service under this rate, (b) the remaining unexpired life of all existing high pressure sodium vapor and metal halide luminaires and brackets in service on the date that service under this rate is initiated, and (c) the remaining unexpired life of any other street and area lighting luminaires and brackets as of the date that such locations are converted to high pressure sodium vapor or metal halide in accordance with this Rate Schedule. It is available at the Customer's option to those Customers who sign a Service Agreement to receive such service and who receive all of their street and area lighting service requirements hereunder where feasible, except as specifically provided for hereinafter. Upon the Customer's request, the Company may utilize a fixed price estimate for the installed cost of all new luminaries and brackets placed into service under this rate. If the Customer enters into an agreement based upon the fixed price estimate, both the Customer and the Company will be bound by that fixed price estimate.

~~Only a~~ All-night outdoor lighting service on an annual basis shall be provided under this rate, totaling approximately 4,345 hours of operation per year and midnight outdoor lighting service on an annual basis totaling approximately 2,005 hours of operation per year shall be provided for under this rate.

LIMITATIONS ON AVAILABILITY

The availability of this rate to any Customer is contingent upon the availability to the Company of personnel and/or other resources necessary to perform the conversion of existing luminaires to high pressure sodium vapor or metal halide in accordance with the time schedule specified in the Service Agreement.

SERVICE AGREEMENT

The Customer shall sign a Service Agreement governing the contribution for the remaining unexpired life of the existing street lighting luminaires and brackets, the contribution for the installed cost of the new luminaires and brackets, and the conversion of existing luminaires to high pressure sodium vapor or metal halide.

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000355

## SERVICE DURING THE CONVERSION PERIOD

Service under this rate shall be implemented on a prorated basis, according to the number of luminaires which have been converted to high pressure sodium vapor or metal halide. Therefore, during the conversion period a portion of the Customer's street and area lighting requirements may be served under Outdoor Lighting Delivery Service Rate OL for those luminaires which have not yet been converted under this Rate.

## MONTHLY RATES

Energy Charge:

Per Kilowatt-Hour

Transmission Charge ..... 0.708¢

Stranded Cost Recovery..... 1.001¢

In addition to the energy charges above, Customers shall be assessed a monthly Distribution Rate per luminaire. The energy charge shall be applied to the monthly kilowatt-hours specified below for the applicable fixture and service option. For outdoor lighting charges which are billed in conjunction with service rendered under a metered Rate Schedule, the kilowatt-hours used for billing purposes shall be the amount specified for the calendar month in which the later meter read date occurred for service rendered under the metered Rate Schedule.

### All-Night Service Option:

The monthly kilowatt-hours and distribution rates for each luminaire served under the all-night service option are shown below.

### Lamp Nominal

Light Output Lumens	Power Rating Watts	Monthly KWH per Luminaire												Monthly Distribution Rate
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
High Pressure Sodium:														
4,000	50	27	23	22	19	16	16	16	18	21	23	24	27	\$5.917.15
5,800	70	40	34	32	29	24	23	24	27	31	35	37	40	5.917.15
9,500	100	59	50	47	42	35	34	35	39	46	51	53	59	7.268.78
16,000	150	88	74	70	62	53	51	53	59	68	76	79	88	7.989.65
30,000	250	142	120	113	101	85	82	85	95	110	123	128	142	7.989.65
50,000	400	217	183	173	154	130	126	130	144	168	188	196	217	8.249.97
130,000	1,000	510	430	408	362	306	296	306	340	395	442	460	510	15.6418.92
Metal Halide:														
5,000	70	41	35	33	29	25	24	25	28	32	36	37	41	\$6.137.41
8,000	100	56	47	45	40	34	33	34	38	44	49	51	56	8.119.81
13,000	150	88	74	71	63	53	51	53	59	68	77	80	88	8.6510.46
13,500	175	96	81	77	68	57	56	57	64	74	83	87	96	9.1211.03
20,000	250	134	113	107	95	80	78	80	89	104	116	121	134	9.2711.21
36,000	400	209	176	167	149	126	122	126	140	162	181	189	209	9.5311.53
100,000	1,000	502	423	402	356	301	292	301	335	389	435	454	502	16.9920.55

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President and Chief Operating Officer

Midnight Service Option:

The monthly kilowatt-hours and distribution rates for each luminaire served under the midnight service option are shown below.

Lamp Nominal

Light Output Lumens	Power Rating Watts	Monthly KWH per Luminaire												Monthly Distribution Rate
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
<u>High Pressure Sodium:</u>														
4,000	50	14	11	9	10	7	6	6	7	9	11	13	14	\$7.15
5,800	70	20	16	13	15	11	9	9	11	13	16	20	21	7.15
9,500	100	30	23	20	21	16	13	14	16	19	24	28	31	8.78
16,000	150	44	34	29	31	24	20	21	24	28	35	42	47	9.65
30,000	250	71	56	47	51	38	32	33	38	46	57	69	76	9.65
50,000	400	109	85	72	77	58	49	51	58	70	87	105	116	9.97
130,000	1,000	255	200	170	181	136	115	119	136	165	204	246	272	18.92
<u>Metal Halide:</u>														
5,000	70	20	16	14	15	11	9	10	11	13	17	20	22	\$7.41
8,000	100	28	22	19	20	15	13	13	15	18	23	27	30	9.81
13,000	150	44	34	30	31	24	20	21	24	28	36	43	47	10.46
13,500	175	48	38	32	34	25	22	22	26	31	38	47	51	11.03
20,000	250	67	52	45	48	36	30	31	36	43	54	65	71	11.21
36,000	400	104	82	70	74	56	47	49	56	68	84	101	111	11.53
100,000	1,000	251	196	167	178	134	114	117	134	162	201	243	268	20.55

LEAP YEAR ADJUSTMENT TO ENERGY

During any leap year, the energy (Kilowatt-hour) usage during the month of February for all fixtures shall be increased by 3.6 percent for the purpose of determining total energy charges under this rate.

MAINTENANCE

The Company shall exercise reasonable diligence to insure that all lamps are burning and shall make replacements promptly when notified of outages. However, the Company shall not be required to perform any replacements or maintenance except during regular working hours. Lamp replacement, maintenance and cleaning of lighting fixtures will normally be performed on a periodic basis in accordance with generally accepted utility practices and consistent with any manufacturer's recommendations.

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President and Chief Operating Officer

### MODIFICATION OF SERVICE OPTION

Municipal and state roadway lighting Customers may request a modification of service from the all-night service option to the midnight service option during the calendar months of January and February of each year, otherwise known as the open enrollment period. Requests received from municipal and state roadway lighting Customers after the open enrollment period shall be implemented during the subsequent open enrollment period, unless the Company determines that it is feasible and practicable to implement the request prior to the subsequent enrollment period. All other Customers may request a modification of service from the all-night service option to the midnight service option at any time. Customers requesting a modification of service from the all-night service option to the midnight service option are responsible to pay to the Company the installed cost of any additional equipment required to provide service under the midnight service option. The installed cost includes the cost of the additional equipment, labor, vehicles and overheads. The Customer is responsible to pay such costs prior to the installation of the equipment. If such a request is made concurrent with the Company's existing schedule for lamp replacement and maintenance, the Customer is responsible to pay to the Company the cost of any additional equipment required, including overheads. The Customer is responsible to pay such costs prior to the installation of the equipment.

Customers requesting a modification of service from the midnight service option to the all-night service option are responsible to pay to the Company the installation cost of the equipment required to provide service under the all-night service option. The installation cost includes the cost of labor, vehicles and overheads. The Customer is responsible to pay such costs prior to the installation of the equipment. If such a request is made concurrent with the Company's existing schedule for lamp replacement and maintenance, no additional costs are required to modify service from the midnight service option to the all-night service option.

The Company will utilize fixed price estimates per luminaire for the installed cost, the additional equipment cost and the equipment installation cost and will update the fixed price estimates per luminaire each year based upon current costs. In the event traffic control is required during a modification of service option or for equipment repair, the Customer is responsible to coordinate and to provide traffic control and to pay all costs associated with traffic control. The scheduling of work associated with the modification of a service option will be made at the Company's discretion with consideration given to minimizing travel and set-up time.

### NEW INSTALLATIONS, EXTENSIONS AND REPLACEMENTS

No additional cost, other than a contribution for the installed cost of new luminaires and brackets as provided for herein, shall be assessed for luminaires and brackets which are attached to existing poles utilizing overhead secondary wiring. Any cost incurred in connection with the installation of lighting facilities which exceeds the cost of using existing poles with overhead secondary wiring shall be borne by the Customer.

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000358

Except for the excess costs of underground facilities to be apportioned as set forth in the provisions for underground electric distribution facilities specified in the Company's "Requirements for Electric Service Connections", any cost incurred in connection with the installation of poles, transformers, wiring, or any other facilities or equipment used exclusively for lighting purposes shall be borne by the Customer. In such cases, the Company shall credit the Customer with the portion, if any, of the estimated cost of such facilities which would normally be allocated to lighting purposes.

Any cost incurred in connection with new installations, or with the replacement or removal of existing luminaires and/or brackets shall be borne by the Customer. Such costs shall include the installed cost of the new luminaires and/or brackets in the case of new installations and replacements, and the cost of removal of the existing luminaires and/or brackets, less any salvage value of such luminaires and/or brackets which are removed from service.

In the case of new installations, extensions and replacements which make use of underground conductors for supply and distribution and/or of standards or poles employed exclusively for lighting purposes, the Company reserves the right to require the Customer to furnish, own, and maintain such underground supply and distribution facilities and/or the standards or poles.

If the Company's right under the preceding paragraph is exercised and the Company thereby is relieved of the cost of installing the customary overhead wires and appurtenances and the customary dual purpose poles, the Company shall:

1. pay to the Customer the sum of the following:
  - a. the estimated saving in investment to the Company represented by the estimated cost of the customary overhead wires and appurtenances;
  - b. such portion, if any, of the estimated cost to the Company of the customary dual purpose poles as would normally be allocated to lighting purposes;
2. have the right, without payment of any charge, to attach its wires, fixtures, brackets, luminaires, transformers, and other equipment to the standards or poles owned by the Customer.

Should the standards or poles furnished, owned, and maintained by the Customer be located in a public highway, the Customer shall procure and furnish to the Company a license under the Public Laws of New Hampshire (R.S.A. Chapter 231) covering such interest as the Company may have in the standards or poles, including their wires, fixtures, brackets, luminaires, transformers, and other equipment.

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Title: Vice President – Energy Delivery

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For outdoor area lighting installations, the Customer shall provide without expense or cost to the Company, all permits, consents, or easements necessary for the erection, maintenance, and operation of the Company's facilities, including the right to cut and trim trees and bushes wherever necessary; and the Company shall not be required to move its facilities to another location on the Customer's premises unless the Customer shall bear the cost thereof. The Company reserves the right to restrict such installations under this Rate to areas which are easily accessible by service truck.

All poles, wires, fixtures, brackets, luminaires, transformers, and other equipment furnished by the Company shall be maintained by it and title to such shall in all cases remain vested in the Company.

VOLUNTARY INTERRUPTION PROGRAM  
RATE VIP

AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is for voluntary load reduction by either load interruption and/or use of customer standby generation. Service under this rate must be taken in conjunction with service provided under Primary General Delivery Service Rate GV or Large General Delivery Service Rate LG and Default Energy Service Rate DE and in accordance with the terms or conditions therein as now or hereafter effective except as may be specifically provided otherwise in this rate.

The load must be available for interruption during the summer program period commencing June 1 and ending on September 30 each year, or at the Company's option, during the winter program period commencing January 1 and ending March 31 each year.

The customer must sign a service agreement to receive service under this rate and may enroll in the summer program period and/or the winter program period when offered by the Company.

Interruptible load presently served under a Special Contract by the Company is not eligible for service under this rate. Interruptible load presently served under any other interruptible rate is not eligible for service under this rate.

The customer must have interval metering in order to participate in this program.

NOTIFICATION OF INTERRUPTION

The customer shall provide to the Company the names and telephone numbers of persons to notify to request reduction of load during Hourly Interruptible Periods. The Company shall provide the customer with up to one hour's notice of any Hourly Interruptible Period, to request that the customer reduce load. The Company will strive to provide more advance notification, if possible. The Company will also notify the customer prior to the end of the interruption.

DEFINITIONS

Hourly Interruptible Period: All clock hours designated by the Company during a particular day for which the Company requests customers to reduce or postpone the use of electricity. Hourly Interruptible Periods shall exclude those periods occurring during Scheduled Plant Shutdowns. All interruptions shall begin and end on the clock hour.

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President and Chief Operating Officer

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Designated Load: An amount of load specified in the service agreement, which the customer agrees to interrupt if reasonably practicable and the Company agrees is reasonably achievable, consisting of specific pieces of equipment or processes which are normally used by the customer. Customer owned standby generation on the load side of the meter may also be utilized to supply Designated Load. The minimum amount of Designated Load that the customer may specify shall be the greater of 100 kilowatts or ten percent (10%) of the average of the customer's monthly maximum thirty-minute kilowatt demands occurring during on-peak hours.

Interrupted Demand: For each Hourly Interruptible Period, the difference between: (a) the Baseline Demand; and (b) the average integrated kilowatt demand during that Hourly Interruptible Period.

Baseline Demand: The average integrated kilowatt demand occurring during each corresponding hour, on non-holiday weekdays of the current calendar month during which Hourly Interruptible Periods were not designated, excluding those hours during Scheduled Plant Shutdowns. The Baseline Demand amount calculated above will be adjusted upward if the average of the actual usage in the two hours preceding the commencement of the particular Hourly Interruptible Periods is greater than the actual average usage during the corresponding two hours on non-holiday weekdays of the current calendar month during which Hourly Interruptible Periods were not designated, excluding those hours during Scheduled Plant Shutdowns. The adjustment to the Baseline Demand will be equal to the difference between the two average amounts described above.

Credited Interrupted Demand: The lesser of the customer's Interrupted Demand for the Hourly Interruptible Period or 125% of the customer's Designated Load.

Excess Interrupted Demand: The amount by which the customer's Interrupted Demand for the Hourly Interruptible Period exceeds 125% of the customer's Designated Load.

Real Time Zonal Price (RTZP): The spot market price for electric energy for the New Hampshire load zone as determined by the Independent System Operator – New England (ISO-NE) for each hour of an Hourly Interruptible Period.

Scheduled Plant Shutdown: Time periods specified by the Customer in the Service Agreement in which the Designated Load is not available for interruption.

## INTERRUPTION CREDITS

An Interruption Credit will be calculated for Hourly Interruptible Periods during which the Customer is receiving Default Energy Service and will be applied to the customer's bill no earlier than the second bill rendered after the meter reading which includes the interruptions. The Interruption Credit will be the sum of the credits calculated for each Hourly Interruptible Period in the month. One of the following credits will apply to each kilowatt-hour of Credited Interrupted Demand during each Hourly Interruptible Period, depending upon the ratio of Credited Interrupted Demand to Designated Load:

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President and Chief Operating Officer

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<u>% of Hourly RTZP Paid to Customers (per KWH)</u>	<u>Ratio of Credited Interrupted Demand to Designated Load</u>
0%	If Ratio is less than 25%
60%	If Ratio is greater than or equal to 25%, but less than 50%
80%	If Ratio is greater than or equal to 50%, but less than 75%
100%	If Ratio is greater than or equal to 75% (up to 125% of DL)

#### EXCESS INTERRUPTION CREDIT

An Excess Interruption Credit will be applied, if appropriate, to the customer's bill no earlier than the second bill rendered after the current calendar month. The Excess Interruption Credit will be the sum of the credits applied to each kilowatt-hour of Excess Interrupted Demand for each Hourly Interruptible Period. The credit applied to each kilowatt-hour of Excess Interrupted Demand will be equal to 60% of the RTZP.

#### FAILURE TO FULLY COMPLY

If the customer's Credited Interrupted Demand is less than seventy-five percent (75%) of the customer's Designated Load for more than 25% of the Daily Interruptible Periods, the Company may refuse to allow the customer to continue to take service hereunder.

#### ISO-NE DEMAND RESPONSE PROGRAMS

The Company at its option may enroll Customers in the ISO-NE Demand Response Programs ("ISO-NE Programs") as amended from time to time and approved by the Federal Energy Regulatory Commission in lieu of enrolling Customers in the Voluntary Interruption Program as defined under this rate schedule. Customers may enroll with the Company or any other NEPOOL Participant, subject to the provisions of the ISO-NE Programs in effect at the time. A Customer may not enroll with the Company under the provisions of an ISO-NE Program and the Voluntary Interruption Program at the same time. Customers will be required to meet all the criteria for the load interruptions set forth in the ISO-NE Programs and will be required to install any additional required metering software, telephone lines, internet connections and other equipment necessary to participate in the ISO-NE Program. Other incremental fees and costs of participation in the ISO-NE Program may also be the responsibility of the Customer. The Company shall compensate the Customer by crediting the Customer's electric account by the amount paid to the Company by the ISO-NE in accordance with the provisions of the ISO-NE Program. Credits will be applied within 45 days of the date of the Company's receipt of payment from the ISO-NE.

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President and Chief Operating Officer

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## SKI AREA INTERRUPTIBLE DELIVERY SERVICE RATE SKI

### AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is available for Delivery Service to Ski Areas and must be taken in conjunction with service under Primary General Delivery Service Rate GV or Large General Delivery Service Rate LG and in accordance with the terms and conditions therein as now or hereafter effective except as specifically provided otherwise in this rate. If a Customer's maximum on-peak demand exceeds 1,000 kilowatts for seven or more of the previous twelve consecutive months, then the Customer shall take service under this rate in conjunction with Large General Delivery Service Rate LG. Otherwise, service shall be taken in conjunction with Primary General Delivery Service Rate GV. The availability of this rate will terminate on December 31, 2014.

### EXCLUSION OF DEMAND FOR EQUIPMENT TESTING IN THE DETERMINATION OF MAXIMUM DEMAND

The Company shall exclude from the determination of maximum demand all thirty-minute intervals recorded during periods of equipment testing, provided that the Company agrees in advance to the time and duration scheduled for such testing. The Customer must notify the Company at least three business days in advance of the equipment testing and must provide the specific start and stop times and the anticipated amount of peak load during the test period. If the timing or duration of the equipment testing is not acceptable to the Company, the Customer and the Company shall mutually agree on an alternate time acceptable to both parties. A maximum of six equipment testing periods may be conducted in a calendar year during the months of May, June, September and October. All kilowatt-hours delivered during the equipment testing periods will be billed at the Energy Charges in effect at the time of service.

### INTERRUPTION OF SERVICE

All snow-making load and equipment testing load shall be made available for interruption during interruption periods. An interruption period includes all on-peak hours designated by the Company for interruption of the Customer's snow-making load or equipment testing load. All interruption periods shall begin and end on the clock hour. The Company may request interruption of the Customer's snow-making load or equipment testing load if the Company experiences a system emergency, or the Independent System Operator – New England (ISO-NE) institutes Operating Procedure No. 4. Furthermore, if the Customer purchases Default Energy Service from the Company, the Company may request interruption of the Customer's snow-making load or equipment testing load when the Real Time Zonal Price for the New Hampshire load zone as determined by the ISO-NE is forecasted to exceed or actually exceeds the threshold price for interruption under the Voluntary Interruption Program Rate VIP.

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In the event of an interruption notification from the Company, the Customer is required to interrupt its snow-making load or its equipment testing load within two hours of the notification from the Company, except during a system emergency when immediate interruption of snow-making load or equipment testing load is required. The Company will notify the Customer as promptly as possible when snow-making or equipment testing can resume.

#### VERIFICATION OF INTERRUPTION

A base demand level representing all of a Customer's non-snow-making load will be established by mutual agreement. In order to verify a Customer has interrupted its snow-making load, the Company will compare the Customer's kilowatt demand in each half-hour of the interruption period to the base demand. An interruption shall be deemed to have occurred if the Customer's demand is less than or equal to the base demand in each half-hour interval in the interruption period. The base demand level will be reviewed annually with the Customer to verify that the level continues to represent the Customer's non-snow-making load. It is the responsibility of the Customer to contact the Company in advance of any significant changes that may affect the level of the Customer's non-snow-making load. In the event of a significant change, a new base demand level will be established by mutual agreement.

In order to verify a Customer has interrupted its equipment testing load, the Company will compare the Customer's kilowatt demand in each half-hour of the interruption period to the average of the kilowatt demands occurring in the same half-hour of all non-holiday weekdays occurring in the Customer's billing cycle month. An interruption shall be deemed to have occurred if the Customer's demand in each half-hour interval of the interruption period is less than or equal to 110% of the average of the kilowatt demands occurring in the same half-hour of all non-holiday weekdays occurring in the Customer's billing cycle month.

#### FAILURE TO INTERRUPT

In the event a Customer fails to interrupt its snow-making load or its equipment testing load during an interruption period, and if the Customer receives energy service under Default Energy Service Rate DE, all kilowatt-hours delivered to the Customer in excess of the base demand during a snow-making interruption period or all kilowatt-hours delivered to the Customer during an equipment testing period will be billed at 150% of the hourly Real Time Zonal Price for the New Hampshire load zone in lieu of the Default Energy Service rate, whichever is applicable.

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In the event the Customer fails to interrupt its snow-making load or its equipment testing load during an interruption period, and if the Customer does not receive energy service under Default Energy Service Rate DE, all kilowatt-hours delivered to the Customer in excess of the base demand during a snow-making interruption period or all kilowatt-hours delivered to the Customer during an equipment testing interruption period will be assessed a charge of 50% of the hourly Real Time Zonal Price for the New Hampshire load zone, in addition to the charges under Primary General Delivery Service Rate GV or Large General Delivery Service Rate LG.

#### SERVICE AGREEMENT AND TERM

The Customer must sign a Service Agreement specifying the Customer's base demand level to receive service under this rate. Service shall be available, provided the Customer continues to meet the availability requirements, for the period beginning on the Effective Date specified in the Service Agreement and terminating after a ten-year period or December 31, 2014, whichever date occurs earlier. In the event the Customer no longer meets the availability requirements, service under this rate shall immediately terminate.

#### SUCCESSORS AND ASSIGNS

If the Customer or the Company sells or otherwise transfers the business to a second party, this rate and the Service Agreement shall be binding upon the existing and new party; provided the Customer continues to meet the availability requirements of the rate.

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President and Chief Operating Officer

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DEFAULT ENERGY SERVICE RATE DE

AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is for energy and capacity in conjunction with the applicable Delivery Service Rate Schedule. It is available to those Customers who are not receiving Supplier Service or Self-Supply Service

Notwithstanding any other Tariff provision or Special Contract terms, no discount shall be applied to this rate.

RATE PER MONTH

Per Kilowatt-Hour

Energy Charge

9.92¢

Issued: ~~January 6, 2009~~ June 30, 2009

Issued by: Paul E. Ramsey /s/ Gary A. Long  
Gary A. Long

Effective: ~~January 1, 2009~~ August 1, 2009

Title: Vice President – Energy Delivery  
President and Chief Operating Officer

SMART START  
ENERGY EFFICIENCY PROGRAM

AVAILABILITY

Subject to the Terms and Conditions of the Tariff of which it is a part, this rate is for the installation of energy efficiency and load management measures for municipalities in offices, schools, and other municipal buildings. The energy efficiency and load management measures will be installed at the Company's expense and the Customer shall reimburse the Company through charges added to the Customer's regular monthly bill. Upon the Customer's request, the Company may utilize a fixed price estimate for the installed cost of energy efficiency and load management measures installed by the Company to determine eligibility and the monthly charges under this rate. If the Customer enters into an agreement based upon the fixed price estimate, both the Customer and the Company will be bound by that fixed price estimate. This rate is for a basic utility service and the Customer is liable for payment of the charges under this rate under the same conditions as any other charges for basic utility service including, but not limited to, the Customer's service being subject to disconnection for nonpayment in accordance with the rules of the Commission.

At its sole discretion, the Company shall determine eligibility for service under this rate subject to (1) the availability of funds budgeted for this program, (2) the suitability of approved energy efficiency and load management measures for the Customer's location and the likelihood that the measures will be used and useful throughout their estimated life, (3) a minimum project cost requirement of \$1,000 which may be met by aggregating project costs from multiple delivery service accounts, and (4) the Company's determination that the measures chosen are estimated to produce sufficient energy or demand savings to offset the total costs of the measures. Although the Company expects that all Customers participating in the Smart Start Energy Efficiency Program will receive lower monthly electric bills, there is no guarantee of savings.

Any Customer taking service under this rate must be and remain a full requirements delivery service Customer. In the event the Customer does not remain a full requirements delivery service Customer, any remaining charges under this rate shall immediately become due and payable. This rate is available to new installations through December 31, 2009.

COMPANY RESPONSIBILITIES

The Company will act as the Customer's agent in selecting energy efficiency and or load management measures which are suitable for the Customer's end uses of electricity and which are estimated to produce sufficient savings in energy usage or demand. The Company may arrange for a supplier or contractor (1) to install the measures (2) to instruct the Customer on the proper use, operation and maintenance of the measures and (3) to certify that the measures are properly installed and operating as designed. Upon notification by the Customer that work is complete, the Company will verify that the measure(s) have been installed and arrange for payment to the contractor.

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Gary A. Long

Effective: ~~January 1, 2009~~ August 1, 2009

Title: ~~Vice President – Energy Delivery~~  
~~President and Chief Operating Officer~~

After receiving notice from the Customer, the Company will evaluate any report of a failed measure(s), and at its option, the Company will cause the measure(s) to be repaired or replaced when necessary or will terminate charges under this rate.

The Company will inform all new Customers at a location where energy efficiency or load management measures have been installed as to the existence of any unbilled charges remaining under this rate for that location. If the former Customer received service under an accelerated payment period term, the Company will inform the new Customer that they may revert at any time to the minimum monthly charge that was available to the former Customer. The Company will also inform these Customers of the benefits associated with the measure(s) and their responsibility for the payment of the remaining charges under this rate and other obligations.

#### CUSTOMER RESPONSIBILITIES

Prior to the installation of any energy efficiency or load management measures, the Customer will sign a Smart Start Agreement which will provide that the Customer is responsible for:

- (1) payment of the monthly charges under this rate in addition to all other charges on the monthly bill;
- (2) informing the Company if the measures fail completely or malfunction so that the estimated reductions in demand and energy use cannot be realized;
- (3) maintaining the energy efficiency or load management measures at the service location and taking reasonable steps to prevent damage to such measures;
- (4) becoming fully informed concerning the routine operation and maintenance of the energy efficiency or load management measures installed at the service location;
- (5) allowing access by the Company, at reasonable times, for any inspection or repair of the energy efficiency or load management measures to the extent the Company is responsible for such repairs as described above; and
- (6) accepting responsibility for the cost of out of warrantee repairs. Customers may accept such responsibility through any of the following:
  - (a) the customer may repair the measure(s) themselves,
  - (b) the customer and/or customer's casualty insurance may pay for repairs,
  - (c) the customer may agree to an extension of the number of monthly payments to cover the Company's cost of repair.

A Customer's obligation to pay for the measure(s) ends when the Customer closes their account. If the Customer is the owner or lessor of the premises, the Customer must inform all prospective purchasers or renters of the location that there is an unexpired obligation under this rate. Whenever a Customer applies for service at a location which was the subject of a previous Smart Start Agreement, payment for which has not been completed, such Customer shall become responsible for the remaining balance. If the location was the subject of an accelerated payment term, the new Customer has the option to revert at any time to the minimum monthly charge that was available to the former Customer. Acceptance of electric service constitutes acceptance of the obligations under this rate by the new Customer.

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President and Chief Operating Officer

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## LANDLORD'S AND LESSOR'S RESPONSIBILITIES

In order to be eligible to accept the installation of the energy efficiency or load management measures in a location which is rented or leased to tenants who currently are Customers of the Company or future tenants of such locations who will apply for service from the Company at such locations, the owner and the landlord or lessor (in case the landlord or lessor is not the owner) must enter into a Smart Start Agreement under which they agree:

- (1) to cooperate in obtaining the consent of any existing tenants to enter into a Smart Start Agreement with the Company,
- (2) to inform all prospective new tenants of the obligation to enter into a Smart Start Agreement for the remaining balance of any previous Smart Start Agreement attributable to the rented or leased location; and
- (3) to inform all subsequent owners or lessors of these obligations with respect to informing tenants of their obligation to enter into a Smart Start Agreement.

Landlords and lessors of service locations must also agree to allow the Company access to any measures in order to inspect or repair the measures.

## PRICING AND CONTRACT TERM

The Smart Start Agreement will specify the monthly charge and the term of the payment period. A Customer can choose to accelerate the payment period term by paying a higher monthly charge or a Customer can choose to pay the remaining balance owed to the Company at any time. Customers selecting an accelerated payment period term can revert at any time to the minimum monthly charge available to the Customer. The term of the Smart Start Agreement may be extended by the Company to recover its costs for out of warranty repairs or missed payments.

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~~President and Chief Operating Officer~~

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**SUMMARY OF CHANGES TO PSNH'S CURRENTLY  
EFFECTIVE TARIFF NO. 6**

**TERMS AND CONDITIONS FOR DELIVERY SERVICE**

<b>Section Number</b>	<b>Section Name</b>	<b>Description of Change</b>
14	Meters	This section has been updated to clarify that each unit of a new or renovated domestic structure with more than one dwelling unit will be metered separately and each meter will be billed as an individual customer. This language represents the same metering policy PSNH has utilized since the early 1980's in compliance with the rules of the Public Utilities Commission.
21	Conditions Under Which this Tariff is Made Effective	The existing language summarizing changes to Tariff No. 6 has been deleted and now includes language describing the effectiveness of the rates contained in proposed Tariff No. 7. This section will be revised if the Commission suspends the effectiveness of Tariff No. 7.

## DELIVERY SERVICE RATE SCHEDULES

Rate Schedule	Description of Change
GV	<p>The following updates have been incorporated in the Apparatus section of Primary General Service Rate GV:</p> <ol style="list-style-type: none"> <li>1. PSNH is not required to rent pole-mounted apparatus.</li> <li>2. PSNH is authorized to terminate an existing apparatus rental agreement and to remove a pole-mounted transformer upon 90 days written notice to a customer.</li> </ol>
LG	<p>The following updates have been incorporated in the Apparatus section of Primary General Service Rate LG:</p> <ol style="list-style-type: none"> <li>1. PSNH is not required to rent pole-mounted apparatus.</li> <li>2. PSNH is authorized to terminate an existing apparatus rental agreement and to remove a pole-mounted transformer upon 90 days written notice to a customer.</li> </ol>
OL	<ol style="list-style-type: none"> <li>1. A midnight outdoor lighting service option has been added to Outdoor Lighting Delivery Service Rate OL. Under the option, a customer can receive partial night's lighting service (from dusk to midnight) for energy-efficient luminaires (i.e. high pressure sodium and metal halide).</li> <li>2. The New Installations, Extension, and Replacements section of Outdoor Lighting Delivery Service Rate OL has been updated to remove the option available to governmental units and civic groups to pay for excess costs associated with new installations, extensions and replacements under Rate OL, including interest at the Prime Rate over a period not to exceed sixty months. In its place, PSNH is proposing that all customers pay excess costs as a lump sum prior to the installation or replacement of the equipment under Rate OL.</li> </ol>
EOL	<p>A midnight outdoor lighting service option has been added to Energy Efficient Outdoor Lighting Delivery Service Rate EOL. Under the option, a customer can receive partial night's lighting service (from dusk to midnight) for energy-efficient luminaires (i.e. high pressure sodium and metal halide).</p>



**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**

**UNITIZED CUSTOMER AND DEMAND COSTS  
Based on the Proforma Cost of Service Study**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Retail Revenue Requirement (\$000's)		Annual Billing Determinants			Unitized Monthly Cost		
<u>Costing Class</u>	<u>Customer- Related</u>	<u>Demand- Related</u>	<u>Number of Bills</u>	<u>Billing Demand</u>	<u>Delivery MWH</u>	<u>Per Bill (1) ÷ (3)</u>	<u>Per Unit of Demand (2) ÷ (4)</u>	<u>Per KWH (2) ÷ (5)</u>
Rate R Power & Light, Space Heating	\$ 159,068	\$ 42,874	5,016,985	-	2,955,807	\$ 31.71		\$0.01451
Rate R Uncontrolled Water Heating	3,019	2,061	622,840	-	126,309	\$ 4.85		\$0.01632
Rate R Controlled Water Heating	88	2	16,596	-	2,661	\$ 5.28		\$0.00075
Rate R LCS	1,396	1,131	43,445	-	33,481	\$ 32.14		\$0.03379
Rate G Power & Light, Space Heating	35,244	23,792	874,168	4,103,753	1,747,820	\$ 40.32	\$ 5.80	
Rate G Uncontrolled Water Heating	101	28	20,010	-	4,967	\$ 5.03		\$0.00555
Rate G Controlled Water Heating	2	2	326	-	53	\$ 5.01		\$0.02889
Rate G LCS	74	33	2,149	-	6,517	\$ 34.61		\$0.00512
Rate GV	2,426	16,734	16,671	4,387,963	1,725,614	\$ 145.54	\$ 3.81	
Rate LG	1,284	10,253	1,292	2,793,409	1,261,726	\$ 993.98	\$ 3.67	
Rate B	35	1,178	219	321,340	33,151	\$ 158.98	\$ 3.66	

000373



STATE OF NEW HAMPSHIRE  
 PUBLIC UTILITIES COMMISSION  
 Concord

**REPORT OF PROPOSED RATE CHANGES**

UTILITY: Public Service Company of New Hampshire

DATE FILED: June 30, 2009

EFFECTIVE DATE: August 1, 2009

TARIFF NO. 7

Based on Actual Sales to New Hampshire Customers  
 For the Twelve-Month Period Ending December 31, 2008

Rate or Class of Service	Effect of Proposed Change *	Average Number of Customers	<u>Estimated Annual Revenue ∇</u>		<u>Proposed Change</u>	
			Present Rates ∇∇	Proposed Rates ∇∇∇	Amount	%
Residential Service Rate R**	Increase	416,400	\$520,735,723	\$548,984,494	\$28,248,771	5.4%
General Service Rate G***	Increase	71,765	273,976,111	286,222,232	12,246,121	4.5%
Primary General Service Rate GV****	Increase	1,394	238,498,102	244,447,675	5,949,573	2.5%
Large General Service Rate LG#	Increase	119	173,245,854	176,438,363	3,192,509	1.8%
Outdoor Lighting Service Rates OL & EOL	Increase	12,294##	12,197,045	13,670,183	1,473,138	12.1%
TOTALS:	Increase	490,619	\$1,218,652,835	\$1,269,762,947	\$51,110,112	4.2%

\* Show increases, decreases and net changes in each rate classification separately, where applicable.  
 (See Sheet 2 for other footnotes.)

Signed by: /s/ Stephen R. Hall  
 Stephen R. Hall

Title: Rate and Regulatory Services Manager

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REPORT OF PROPOSED RATE CHANGES

FOOTNOTES

- \*\* Includes data for all residential customers including customers served under Rates R-OTOD and LCS.
- \*\*\* Includes data for General Service Rate G and Rate G-OTOD customers including customers served under Rate LCS.
- \*\*\*\* Includes data for Primary General Service Rate GV customers served under Rate B.
- # Includes data for Large General Service Rate LG customers served under Rate B.
- ## Includes 11,353 residential or general service accounts with private area lights billed under Rate OL. These accounts are not included in the total average number of customers.
- ▽ For purposes of these calculations, all customers are assumed to receive energy under the Energy Service rate. Revenues for Residential Service Rate R do not include credits issued to qualifying customers under the Residential Electric Assistance Program.
- ▽▽ Present rate revenues are based on the rates of Delivery Service Tariff No. 6 effective on and after January 1, 2009. Revenues in this column reflect, for the entire twelve-month period, the following rates:
- Distribution rates approved by the Commission for effect on July 1, 2008 in Order No. 24,870 in Docket No. DE 08-071;
  - Transmission rates approved by the Commission for effect on July 1, 2008 in Order No. 24,869 in Docket No. DE 08-069 (a retail average rate of 0.935 cents/KWH);
  - Stranded Cost Recovery Charge rates approved by the Commission for effect on January 1, 2009 in Order No. 24,923 in Docket No. DE 08-114 (a retail average rate of 0.980 cents/KWH);
  - The Energy Service rate of 9.920 cents/KWH approved by the Commission for effect on January 1, 2009 in Order No. 24,924 in Docket No. DE 08-113;
  - The System Benefits Charge of 0.330 cents/KWH approved by the Commission for effect on October 1, 2008 in Order No. 24,903 in Docket No. DE 08-097; and
  - The Electricity Consumption Tax Charge of 0.055 cents/KWH in effect since May 1, 2001.
- ▽▽▽ Proposed rate revenues reflect, for the entire twelve-month period, the Permanent Distribution rates contained in Delivery Service Tariff No. 7 and proposed for effect on August 1, 2009. No changes in other rate components have been reflected in this report.



**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**

**CALCULATION OF PROPOSED DISTRIBUTION REVENUE BY RATE CLASS**

(1) Current retail, billed distribution revenue, as proformed (July 1, 2008 rate level)	\$ 243,931 (000)
(2) Revenue deficiency (from R. A. Baumann's "Computation of Distribution Revenue Deficiency")	\$ 51,108 (000)
(3) Proposed distribution revenue (for effect August 1, 2009)	\$ 295,039 (000)
(4) Test year retail delivery sales	7,970,952 MWH
(5) Average retail distribution rate: Line (3) / Line (4)	\$ 0.03701 per KWH
(6) Special pricing delivery sales included in Line (4)	12,982 MWH
(7) Distribution revenue from special pricing at proposed rate level: Line (5) x Line (6)	\$ 480 (000)
(8) Distribution revenue to be recovered from standard tariff: Line (3) - Line (7)	\$ 294,558 (000)

**Standard Tariff Customers**

<u>Class</u>	<u>Distribution Revenue</u> <u>\$000's</u>		<u>Distribution Increase</u>	
	<u>Current</u> <u>07/01/2008</u>	<u>Proposed</u> <u>08/01/2009</u>	<u>\$</u>	<u>%</u>
Residential Rates R, R-OTOD	\$ 134,874	\$ 163,133	\$ 28,259	20.95%
General Service Rates G, G-OTOD	58,424	70,665	12,241	20.95%
Primary General Service Rate GV	28,371	34,315	5,944	20.95%
Large General Service Rate LG	14,834	17,941	3,108	20.95%
Outdoor Lighting Rate OL	3,899	4,716	817	20.95%
Outdoor Lighting Rate EOL	<u>3,131</u>	<u>3,787</u>	<u>656</u>	<u>20.95%</u>
Total Standard Tariff	\$ 243,533	\$ 294,558	\$ 51,025	20.95%

**Special Pricing Customers, at Retail Average Rate**

	<u>Imputed at</u> <u>\$0.03060/KWH</u>	<u>Imputed at</u> <u>\$0.03701/KWH</u>	
Rate LG (12,982 MWH)	397	480	83
<b>Total Standard Tariff and Special Pricing</b>	<b>\$ 243,931</b>	<b>\$ 295,039</b>	<b>\$ 51,108</b>



**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**  
**SUMMARY OF CURRENT AND PROPOSED DISTRIBUTION RATES**

<u>Rate</u>	<u>Blocks</u>	<u>Current Rates (07/01/08)</u>	<u>Proposed 08/01/09 Rate Level, Equal % (1)</u>	<u>Proposed 08/01/09 Redesigned Rates</u>
R	Customer charge	\$ 8.93	\$ 10.80	\$ 12.00
	All KWH	\$ 0.02914	\$ 0.03525	\$ 0.03315
Uncontrolled				
Water	Meter charge	\$ 3.15	\$ 3.81	\$ 4.25
Heating	All KWH	\$ 0.01428	\$ 0.01727	\$ 0.01625
Controlled				
Water	Meter charge	\$ 5.55	\$ 6.71	\$ 7.50
Heating	All KWH	\$ 0.00085	\$ 0.00103	\$ 0.00097
R-OTOD	Customer charge	\$ 20.74	\$ 25.09	\$ 28.00
	On-peak KWH	\$ 0.09313	\$ 0.11264	\$ 0.10596
	Off-peak KWH	\$ 0.00136	\$ 0.00164	\$ 0.00155
G	Single phase customer charge	\$ 10.06	\$ 12.17	\$ 13.50
	Three phase customer charge	\$ 20.13	\$ 24.35	\$ 27.00
	Load charge (over 5 KW)	\$ 6.09	\$ 7.37	\$ 7.80
	First 500 KWH	\$ 0.05039	\$ 0.06095	\$ 0.05376
	Next 1,000 KWH	\$ 0.01249	\$ 0.01511	\$ 0.01332
	All additional KWH	\$ 0.00442	\$ 0.00535	\$ 0.00472
Space Heating	Meter charge	\$ 2.01	\$ 2.43	\$ 2.70
	All KWH	\$ 0.02471	\$ 0.02989	\$ 0.02636
G-OTOD	Single phase customer charge	\$ 26.09	\$ 31.56	\$ 35.00
	Three phase customer charge	\$ 37.23	\$ 45.03	\$ 50.00
	Load charge	\$ 8.49	\$ 10.27	\$ 10.90
	On-peak KWH	\$ 0.03535	\$ 0.04276	\$ 0.03771
	Off-peak KWH	\$ 0.00554	\$ 0.00670	\$ 0.00591
LCS	Radio-controlled option	\$ 6.42	\$ 7.77	\$ 8.75
	8, 10 or 11-hour option	\$ 5.55	\$ 6.71	\$ 7.50
	Switch option	\$ 6.42	\$ 7.77	\$ 8.75
	Radio-controlled option	\$ 0.00085	\$ 0.00103	\$ 0.00097
	8-hour option	\$ 0.00085	\$ 0.00103	\$ 0.00097
	10 or 11-hour option	\$ 0.01721	\$ 0.02082	\$ 0.01958

Notes:

(1) Current rates have been adjusted by a uniform percentage to achieve the proposed revenue.

000377

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**  
**SUMMARY OF CURRENT AND PROPOSED DISTRIBUTION RATES**

<u>Rate</u>	<u>Blocks</u>	<u>Current Rates (07/01/08)</u>	<u>Proposed 08/01/09 Rate Level, Equal % (1)</u>	<u>Proposed 08/01/09 Redesigned Rates</u>
GV	Customer charge	\$ 135.51	\$ 163.90	\$ 180.00
	First 100 KW	\$ 3.75	\$ 4.54	\$ 4.80
	All additional KW	\$ 3.45	\$ 4.17	\$ 4.45
	First 200,000 KWH	\$ 0.00610	\$ 0.00738	\$ 0.00651
	All additional KWH	\$ 0.00506	\$ 0.00612	\$ 0.00540
LG	Customer charge	\$ 411.86	\$ 498.15	\$ 550.00
	Demand charge	\$ 3.32	\$ 4.02	\$ 4.25
	On-peak KWH	\$ 0.00365	\$ 0.00441	\$ 0.00375
	Off-peak KWH	\$ 0.00307	\$ 0.00371	\$ 0.00315
B	Administrative charge	\$ 232.21	\$ 280.86	\$ 310.00
	Translation charge	\$ 38.69	\$ 46.80	\$ 52.00
	Demand charge (below 115kV)	\$ 3.12	\$ 3.77	\$ 4.00
	All KWH (below 115kV)	Energy charges in the standard rate		

Notes:

(1) Current rates have been adjusted by a uniform percentage to achieve the proposed revenue.

000378

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**  
**SUMMARY OF CURRENT AND PROPOSED DISTRIBUTION RATES**

**Outdoor Lighting Service Rate OL**

	<u>Lumens</u>	<u>Watts</u>	<u>Current Rates (07/01/08)</u>	<u>Proposed Rates (08/01/09) (1)</u>
<b>For new and existing installations</b>				
High Pressure Sodium	4,000	50	\$ 11.10	\$ 13.43
	5,800	70	11.10	13.43
	9,500	100	14.76	17.85
	16,000	150	20.88	25.25
	30,000	250	21.39	25.87
	50,000	400	21.63	26.16
	130,000	1,000	34.72	41.99
Metal Halide	5,000	70	11.59	14.02
	8,000	100	15.85	19.17
	13,000	150	21.76	26.32
	13,500	175	22.22	26.88
	20,000	250	22.22	26.88
	36,000	400	22.42	27.12
	100,000	1,000	33.59	40.63
<b>For existing installations only</b>				
Incandescent	600	105	6.40	7.74
	1,000	105	7.14	8.64
	2,500	205	9.16	11.08
	6,000	448	15.72	19.01
Mercury	3,500	100	9.80	11.85
	7,000	175	11.77	14.24
	11,000	250	14.57	17.62
	15,000	400	16.67	20.16
	20,000	400	17.98	21.75
	56,000	1,000	28.58	34.57
Fluorescent	20,000	330	24.38	29.49
High Pressure Sodium in existing mercury luminaires				
	12,000	150	15.26	18.46
	34,200	360	19.53	23.62

Notes:

(1) Current rates have been adjusted by a uniform percentage to achieve the proposed revenue.

000379

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**  
**SUMMARY OF CURRENT AND PROPOSED DISTRIBUTION RATES**  
**Energy Efficient Outdoor Lighting Service Rate EOL**

	<u>Lumens</u>	<u>Watts</u>	<u>Current Rates (07/01/08)</u>	<u>Proposed Rates (08/01/09) (1)</u>
High Pressure Sodium	4,000	50	\$ 5.91	\$ 7.15
	5,800	70	5.91	7.15
	9,500	100	7.26	8.78
	16,000	150	7.98	9.65
	30,000	250	7.98	9.65
	50,000	400	8.24	9.97
	130,000	1,000	15.64	18.92
Metal Halide	5,000	70	6.13	7.41
	8,000	100	8.11	9.81
	13,000	150	8.65	10.46
	13,500	175	9.12	11.03
	20,000	250	9.27	11.21
	36,000	400	9.53	11.53
	100,000	1,000	16.99	20.55

Notes:

(1) Current rates have been adjusted by a uniform percentage to achieve the proposed revenue.

000380





**Public Service Company of New Hampshire  
Midnight Service Option Under Rate OL and Rate EOL  
Estimated Installed Cost, Installation Cost, and Equipment Cost  
of the Midnight Option Photocell**

**Estimated Installation Cost of the Midnight Option Photocell**

Assumptions: One hour of labor and one hour's use of a bucket truck.  
The one hour includes travel, set-up and photocell removal  
and replacement time.  
One person crew.  
Labor and vehicle rates including overheads effective April 8, 2009.

Labor cost: \$97.27 (a)

Vehicle cost: \$42.21 (b)

Installation cost: \$139.48 (c) = (a) + (b)

**Estimated Equipment Cost**

Midnight Option Photocell cost: \$20.00 (d)

Existing All-Night Option Photocell cost: \$5.00 (e)

Incremental Cost of Midnight Option Photocell: \$15.00 (f) = (d) - (e)

**Estimated Installed Cost of the Midnight Option Photocell**

Installation cost: \$139.48 (c)

Photocell cost: \$20.00 (d)

Installed cost: \$159.48 (g) = (c) + (d)



**Outdoor Lighting Service Rate OL**  
**Comparison of Annual Charges Under the All-Night Option and Midnight Option**  
**and Simple Payback to Convert From the All-Night Option to the Midnight Option**  
**Based on Rates Effective January 1, 2009**

	<u>Lumens</u>	<u>Watts</u>	<u>All-Night Option Annual Charge</u>	<u>Midnight Option Annual Charge</u>	<u>Annual \$ Savings</u>	<u>Annual % Savings</u>	<u>Conversion Not During Lamp Replacement</u>		<u>Conversion During Lamp Replacement</u>	
							<u>Estimated Installed Cost of Midnight Option Photocell per Luminaire</u>	<u>Simple Payback (Years)</u>	<u>Estimated Equipment Cost of Midnight Option Photocell per Luminaire</u>	<u>Simple Payback (Years)</u>
High Pressure Sodium	4,000	50	\$ 163.44	\$ 147.24	\$ 16.20	9.9%	\$160.00	9.88	\$20.00	1.23
	5,800	70	\$ 178.35	\$ 154.08	\$ 24.27	13.6%	\$160.00	6.59	\$20.00	0.82
	9,500	100	\$ 243.21	\$ 207.72	\$ 35.49	14.6%	\$160.00	4.51	\$20.00	0.56
	16,000	150	\$ 349.20	\$ 296.07	\$ 53.13	15.2%	\$160.00	3.01	\$20.00	0.38
	30,000	250	\$ 415.99	\$ 330.46	\$ 85.53	20.6%	\$160.00	1.87	\$20.00	0.23
	50,000	400	\$ 502.97	\$ 372.14	\$ 130.83	26.0%	\$160.00	1.22	\$20.00	0.15
	130,000	1,000	\$ 989.10	\$ 680.84	\$ 308.26	31.2%	\$160.00	0.52	\$20.00	0.06
Metal Halide	5,000	70	\$ 185.44	\$ 160.44	\$ 25.00	13.5%	\$160.00	6.40	\$20.00	0.80
	8,000	100	\$ 253.53	\$ 219.36	\$ 34.17	13.5%	\$160.00	4.68	\$20.00	0.59
	13,000	150	\$ 360.24	\$ 307.00	\$ 53.24	14.8%	\$160.00	3.01	\$20.00	0.38
	13,500	175	\$ 374.28	\$ 316.37	\$ 57.91	15.5%	\$160.00	2.76	\$20.00	0.35
	20,000	250	\$ 416.93	\$ 336.10	\$ 80.83	19.4%	\$160.00	1.98	\$20.00	0.25
	36,000	400	\$ 504.04	\$ 377.41	\$ 126.63	25.1%	\$160.00	1.26	\$20.00	0.16
	100,000	1,000	\$ 966.77	\$ 663.19	\$ 303.58	31.4%	\$160.00	0.53	\$20.00	0.07

**Energy-Efficient Outdoor Lighting Service Rate EOL**  
**Comparison of Annual Charges Under All-Night Option and Midnight Option**  
**and Simple Payback to Convert From the All-Night Option to the Midnight Option**  
**Based on Rates Effective January 1, 2009**

	<u>Lumens</u>	<u>Watts</u>	<u>All-Night Option Annual Charge</u>	<u>Midnight Option Annual Charge</u>	<u>Annual \$ Savings</u>	<u>Annual % Savings</u>	<u>Conversion Not During Lamp Replacement</u>		<u>Conversion During Lamp Replacement</u>	
							<u>Estimated Installed Cost of Midnight Option Photocell per Luminaire</u>	<u>Simple Payback (Years)</u>	<u>Estimated Equipment Cost of Midnight Option Photocell per Luminaire</u>	<u>Simple Payback (Years)</u>
High Pressure Sodium	4,000	50	\$ 101.16	\$ 84.96	\$ 16.20	16.0%	\$160.00	9.88	\$20.00	1.23
	5,800	70	\$ 116.07	\$ 91.80	\$ 24.27	20.9%	\$160.00	6.59	\$20.00	0.82
	9,500	100	\$ 153.21	\$ 117.72	\$ 35.49	23.2%	\$160.00	4.51	\$20.00	0.56
	16,000	150	\$ 194.40	\$ 141.27	\$ 53.13	27.3%	\$160.00	3.01	\$20.00	0.38
	30,000	250	\$ 255.07	\$ 169.54	\$ 85.53	33.5%	\$160.00	1.87	\$20.00	0.23
	50,000	400	\$ 342.29	\$ 211.46	\$ 130.83	38.2%	\$160.00	1.22	\$20.00	0.15
	130,000	1,000	\$ 760.14	\$ 451.88	\$ 308.26	40.6%	\$160.00	0.52	\$20.00	0.06
Metal Halide	5,000	70	\$ 119.92	\$ 94.92	\$ 25.00	20.8%	\$160.00	6.40	\$20.00	0.80
	8,000	100	\$ 160.65	\$ 126.48	\$ 34.17	21.3%	\$160.00	4.68	\$20.00	0.59
	13,000	150	\$ 202.92	\$ 149.68	\$ 53.24	26.2%	\$160.00	3.01	\$20.00	0.38
	13,500	175	\$ 217.08	\$ 159.17	\$ 57.91	26.7%	\$160.00	2.76	\$20.00	0.35
	20,000	250	\$ 261.53	\$ 180.70	\$ 80.83	30.9%	\$160.00	1.98	\$20.00	0.25
	36,000	400	\$ 349.36	\$ 222.73	\$ 126.63	36.2%	\$160.00	1.26	\$20.00	0.16
	100,000	1,000	\$ 767.57	\$ 463.99	\$ 303.58	39.6%	\$160.00	0.53	\$20.00	0.07